

BOARD OF TRUSTEES

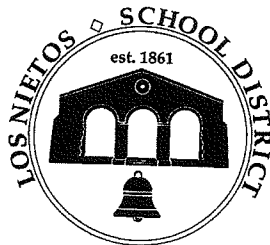
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OF INSTRUCTIONAL SERVICES

DOUGLAS C. McMASTERS
ASSISTANT SUPERINTENDENT
OF BUSINESS SERVICES

July 13, 2011

The Honorable Board of Supervisors
County of Los Angeles
Room 383 Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Attn: Sachi A. Hamai

Subj: Los Nietos School District Request for Board to Levy Taxes and to Direct the Auditor-
Controller to Place Taxes on the Tax Roll

Dear Supervisors:

On July 12, 2011, the Board of Trustees of the Los Nietos School District (the "District") considered and adopted a resolution (the "District Resolution") authorizing the issuance and sale of the District's General Obligation Refunding Bonds, Series 2011 (the "Bonds") in the aggregate principal amount not to exceed \$1,000,000.00, pursuant to Section 53506 *et. seq.* of the Government Code of the State of California. An executed original of the District Resolution is enclosed herein. A final debt service schedule for the Bonds will be supplied by the District following the sale of the Bonds.

The District formally requests in accordance with applicable law that the Los Angeles County Board of Supervisors (the "Board of Supervisors") adopt the enclosed resolution (the "County Resolution") (a) to levy the appropriate taxes and to direct the County Auditor-Controller to place these taxes on the tax roll every year according to a debt service schedule to be supplied by the District following the sale of the Bonds as described above and (b) to agree that the County Treasurer and Tax Collector act as paying agent for the Bonds, subject to the County's ability to contract with a third party designee.

IT IS THEREFORE RECOMMENDED THAT THE BOARD OF SUPERVISORS:

1. Adopt the enclosed County Resolution.

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

43 August 2, 2011

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

2. After the Board of Supervisors has taken action on this letter, the District requests that the Executive Officer-Clerk of the Board of Supervisors furnish two (2) certified copies of the adopted resolution to Nixon Peabody LLP, at One Embarcadero Center, Suite 1800, San Francisco CA 94111, Attn: Travis Gibbs, and send one (1) copy of the adopted resolution to each of the following:

- a. George K. Baum & Company
Attention: Lynn Paquin
660 J Street, Suite 460
Sacramento, California 95814
- b. Los Angeles County Treasurer and Tax Collector
Attention: John Patterson
500 W. Temple Street, Room 432
Los Angeles, California 90012
- c. Los Angeles County Auditor-Controller
Attention: Jackie Guevarra
500 W. Temple Street, Room 603
Los Angeles, California 90012
- d. Los Angeles County Counsel
Attention: Cammy C. DuPont, Esq.
500 W. Temple Street, Room 648
Los Angeles, California 90012

Sincerely,

LOS NIETOS SCHOOL DISTRICT

By: 

Name: Jonathan Vasquez

Title: Superintendent

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES,
CALIFORNIA, AUTHORIZING THE LEVY OF TAXES FOR GENERAL OBLIGATION
REFUNDING BONDS OF THE LOS NIETOS SCHOOL DISTRICT, DESIGNATING THE
PAYING AGENT THEREFOR AND DIRECTING THE COUNTY AUDITOR-CONTROLLER
TO MAINTAIN TAXES ON THE TAX ROLL**

WHEREAS, a duly called election was held in the Los Nietos School District (hereinafter referred to as the "District"), County of Los Angeles (the "County"), State of California, on June 3, 2008 (the "2008 Election"), and thereafter canvassed pursuant to law;

WHEREAS, at such election there was submitted to and approved by the requisite fifty-five percent (55%) vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum principal amount of \$31,140,000, payable from the levy of an *ad valorem* tax against the taxable property in the District;

WHEREAS, the County on behalf of the Board of Trustees of the District (the "District Board") has previously issued \$9,668,130 aggregate principal amount of the District's General Obligation Bonds (Election of 2008), Series 2008 (the "2008 Bonds") authorized by the 2008 election;

WHEREAS, the District Board has approved the refunding of all or a portion of its 2008 Bonds maturing on August 1, 2011 through August 1, 2031, the specific maturities and amounts of 2008 Bonds or portions thereof to be refunded to be determined by the District based upon market conditions existing at the time of the pricing of the Bonds (such 2008 Bonds to be refunded are hereinafter referred to as the "Prior Bonds") and the issuance and sale of general obligation refunding bonds for that purpose (the "Bonds") pursuant to the provisions of Articles 9 and 11 of Chapter 3 of Part 1 or Division 2 of Title 5 (commencing with Sections 53550 and 53580, respectively) of the Government Code of the State of California, as amended (the "Act");

WHEREAS, pursuant to the Act, the Resolution of the District Board (the "May Resolution") adopted on May 11, 2011, and the Resolution of the District Board (the "June Resolution" and, together with the May Resolution, the "District Resolution") adopted on June 30, 2011 the District is authorized to issue or cause to be issued bonds in an amount not to exceed \$1,000,000 for the purposes of redeeming the Prior Bonds; and

WHEREAS, the Board of Supervisors of the County (the "County Board") has been formally requested by the District to levy taxes in an amount sufficient to pay the principal of and interest on the Bonds when due, and to direct the Auditor-Controller of the County to maintain on its tax roll, and all subsequent tax rolls, taxes sufficient to fulfill the requirements of the debt service schedule for the Bonds that will be provided to the Auditor-Controller by the District following the sale of the Bonds; and

WHEREAS, the District intends to have the Los Angeles County Treasurer and Tax Collector (the "Treasurer") act as the authenticating agent, bond registrar, transfer agent and paying agent (collectively, the "Paying Agent") for the Bonds and authorized the Treasurer to contract with a

third party to perform the services of Paying Agent (which third party designee shall initially be U.S. Bank National Association) pursuant to the District Resolution.

NOW THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. Levy of Taxes. That this County Board levy taxes in an amount sufficient to pay the principal of and interest on the Bonds.

SECTION 2. Preparation of Tax Roll. That the Auditor-Controller of the County of Los Angeles is hereby directed to maintain on its tax roll, and all subsequent tax rolls, taxes in an amount sufficient to fulfill the requirements of the debt service schedule for the Bonds, which will be provided to the Auditor-Controller by the District following the sale of the Bonds

SECTION 3. Paying Agent. That the Treasurer and Tax Collector of the County of Los Angeles act as the Paying Agent, subject to the County's ability to contract with a third party designee.

SECTION 4. Effective Date. That this Resolution shall take effect immediately upon its passage.

The foregoing resolution was, on the 2nd day of August, 2011, adopted by the Board of Supervisors of the County of Los Angeles and *ex officio* the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.



SACHI A. HAMAI,
Executive Officer-Clerk of the Board of
Supervisors of the County of Los Angeles

By: Lachelle Smithman
Deputy

APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN,
County Counsel

By: Anna E. DePaul
Principal Deputy County Counsel

RESOLUTION NO. 01-10/11

**RESOLUTION OF THE BOARD OF TRUSTEES OF LOS NIETOS SCHOOL
DISTRICT AUTHORIZING THE ISSUANCE AND SALE OF GENERAL
OBLIGATION REFUNDING BONDS, SERIES 2011 OF THE DISTRICT IN AN
AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$1,000,000, APPROVING A
PRELIMINARY OFFICIAL STATEMENT AND OTHER FINANCING DOCUMENTS
AND CERTAIN OTHER MATTERS RELATING THERETO**

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RESOLUTION NO. 01-10/11

**RESOLUTION OF THE BOARD OF TRUSTEES OF LOS NIETOS SCHOOL
DISTRICT AUTHORIZING THE ISSUANCE AND SALE OF GENERAL
OBLIGATION REFUNDING BONDS, SERIES 2011 OF THE DISTRICT IN AN
AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$1,000,000, APPROVING A
PRELIMINARY OFFICIAL STATEMENT AND OTHER FINANCING DOCUMENTS
AND CERTAIN OTHER MATTERS RELATING THERETO**

WHEREAS, a duly called election was held in the Los Nietos School District (the “**District**”), County of Los Angeles County, California (the “**County**”), on June 3, 2008 and thereafter canvassed pursuant to law; and

WHEREAS, at such election there was submitted to and approved by the requisite fifty-five percent (55%) vote of the qualified electors of the District the following proposition, to wit:

“To acquire, construct and modernize school facilities, shall the Los Nietos School District be authorized to upgrade classrooms and security, improve student safety and school sites, renovate outdated restrooms, and replace roofs, by issuing up to \$31,140,000 in bonds at legal interest rates, with annual audits, a citizens' oversight and no money for overhead or administrator salaries?”; and

WHEREAS, on October 22, 2008, the County issued Los Nietos School District General Obligation Bonds (Election of 2008), Series 2008 on behalf of the District in the principal amount of \$9,668,130 (the “**2008 Bonds**”) a portion of the outstanding balance of which may be refunded with the proceeds thereof the Refunding Bonds (as defined below); and

WHEREAS, the District desires to defease or refund all or a portion of its 2008 Bonds maturing on August 1, 2011 through August 1, 2031, as and to the extent shall be determined by an Authorized Officer (as hereinafter defined) to be in the best interests of the District (such 2008 Bonds to be defeased or refunded are referred to herein as the “**Prior Bonds**”); and

WHEREAS, this Board of Trustees (this “**Board**”) determined by way of a resolution adopted on May 11, 2011 (the “**Previous Resolution**”) that a series of bonds in an aggregate principal amount not-to-exceed \$8,500,000 should be offered for sale by the Board of Supervisors of the County in a series to be designated “Los Nietos School District General Obligation Bonds, Election of 2008, Series 2011”, and that certain of such bonds would be issued to finance the acquisition, expansion and construction of some or all of the purposes authorized at the June 3, 2008 election (collectively, the “**Projects**”) and pay related costs of issuance (the “**New Money Bonds**”), and certain of such bonds would be issued to defease or

refund the Prior Bonds and pay Refunding Costs of Issuance (as hereinafter defined) (the **"Refunding Bonds"**), on the terms and conditions set forth in, and subject to the limitations specified in, the County Resolution (as hereinafter defined); and

WHEREAS, the New Money Bonds shall be issued by the County of Los Angeles, California (the **"County"**) on behalf of the District pursuant to Section 53506 et. seq. of the Government Code (the **"Government Code"**), applicable provisions of the Education Code of the State of California (the **"Education Code"**), and other applicable law; and

WHEREAS, notwithstanding anything to the contrary in the Previous Resolution, the Refunding Bonds may be issued and sold by the District on its own behalf pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with Sections 53550 and 53580, respectively) of the Government Code; and

WHEREAS, notwithstanding anything to the contrary in the Previous Resolution, all or a portion of the outstanding balance of the 2008 Bonds maturing on August 1, 2011 through August 1, 2031 may be refunded with the proceeds of the Refunding Bonds, as and to the extent shall be determined by an Authorized Officer to be in the best interests of the District; and

WHEREAS, pursuant to Section 53558(a) of the Government Code, the District is authorized to deposit proceeds of the sale of the Refunding Bonds in escrow in an amount sufficient to pay the principal of and interest and redemption premiums, if any, on the Prior Bonds as they become due or at designated dates prior to maturity, and to use proceeds of the Refunding Bonds to pay the Refunding Costs of Issuance (as described herein), including to purchase a policy of municipal bond insurance if such insurance would reduce the net cost of borrowing; and

WHEREAS, this Board of Trustees has determined that because of the need for flexibility in order to achieve maximum interest cost savings, it is desirable to sell the Bonds on a negotiated sale basis to George K. Baum & Company (the **"Underwriter"**) pursuant to a Bond Purchase Contract (the **"Contract of Purchase"**), a form of which has been prepared and is on file with the District; and

WHEREAS, a form of contract of purchase (the **"Contract of Purchase"**) among the District, the County and the George K. Baum & Company (the **"Underwriter"**) has been prepared and presented to this Board; and

WHEREAS, a form of continuing disclosure certificate (the **"Continuing Disclosure Certificate"**) has been prepared by Nixon Peabody LLP, bond counsel (**"Bond Counsel"**), and presented to this Board; and

WHEREAS, a form of preliminary official statement (the **"Preliminary Official Statement"**) relating to the Bonds has been prepared and presented to this Board; and

WHEREAS, a form of escrow agreement (the **"Escrow Agreement"**) by and between the District and U.S. Bank National Association, as escrow agent (the **"Escrow Agent"**) and as paying agent for the Prior Bonds, directing the creation of an escrow fund or escrow funds

for deposit of proceeds of the sale of the Refunding Bonds for the purpose of paying and redeeming the Prior Bonds has been prepared and presented to this Board; and

WHEREAS, the District anticipates that the payments necessary to effect the refunding of the Prior Bonds shall be made as set forth in the Escrow Agreement in the form provided to the Board with this Resolution, provided that such provisions may be modified by an Authorized Officer.

NOW THEREFORE, IT IS RESOLVED, DETERMINED AND ORDERED by the Board of Trustees of the District as follows:

SECTION 1. Definitions. The following terms shall for all purposes of this Resolution have the following meanings:

“Accreted Value” shall mean with respect to any Capital Appreciation Bond, as of any date of calculation, the sum of the initial Principal Amount thereof and the interest accreted thereon to such date of calculation, compounded from the date of initial issuance at the stated accretion rate thereof on each February 1 and August 1, commencing on the date set forth in the Contract of Purchase (unless otherwise provided in the Contract of Purchase), assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months; and with respect to any Convertible Capital Appreciation Bonds, as of any date of calculation, as the sum of the initial Principal Amount thereof and the interest accreted thereon on or prior to the Conversion Date to such date of calculation, compounded from the date of initial issuance at the stated accretion rate thereof on each February 1 and August 1, commencing on the date set forth in the Contract of Purchase (unless otherwise provided in the Contract of Purchase), assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months.

“Auditor-Controller” shall mean the Auditor-Controller of the County.

“Authorized Investments” shall mean, if and to the extent permitted by law and by any policy guidelines promulgated by the District and the County:

- (i) Investments in the pool established by the County, in which other funds of the District are invested;
- (ii) Federal Securities;
- (iii) bonds, notes or other evidences of indebtedness rated “AAA” by S&P or “Aaa” by Moody’s issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three years;
- (iv) U.S. dollar denominated deposit accounts, federal funds and banker’s acceptances with domestic commercial banks which have a rating on their short-term certificates of deposit on the date of purchase of “A-1” or “A-1+” by S&P or “P-1” by Moody’s and maturing no more than 360 days

after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);

- (v) commercial paper which is rated at the time of purchase in the single highest classification, “A-1+” by S&P or “P-1” by Moody’s, and which matures not more than 270 days after the date of purchase;
- (vi) investments in a money market fund rated at the time of purchase in the single highest rating category by S&P or Moody’s;
- (vii) pre-refunded municipal obligations defined as follows:

Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and (A) which are rated, based on the escrow, in the highest rating category of S&P or Moody’s or any successors thereto; or (B)(i) which are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or obligations described in paragraph (2) above, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which fund is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to above, as appropriate; and

- (viii) other forms of investments which are legal investments.

“Authorized Officer” or “Authorized Officers” shall mean the Superintendent and each other officer of the District as may be designated by the Superintendent.

“Authorizing Law” shall mean Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with Sections 53550 and 53580, respectively) of the Government Code.

“Board” or “Board of Trustees” shall mean the Board of Trustees of the District.

“Board of Supervisors” shall mean the Board of Supervisors of the County.

“Bond Obligation” shall mean from time to time as of the date of calculation, with respect to any Current Interest Bond, the Principal Amount thereof, and with respect to any

Capital Appreciation Bond or Convertible Capital Appreciation Bond, the Accreted Value thereof.

“Bond Register” shall mean the books referred to in Section 17 of this Resolution.

“Bonds” shall mean collectively, the New Money Bonds and the Refunding Bonds.

“Business Day” shall mean a day that is not a Saturday, Sunday or a day on which banking institutions in the State or the State of New York and the New York Stock Exchange are authorized or required to be closed.

“Capital Appreciation Bonds” shall mean the Refunding Bonds designated as such as provided in Section 8 of this Resolution.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Continuing Disclosure Certificate” shall mean the Continuing Disclosure Certificate of the District for the benefit of the Owners of the Bonds.

“Contract of Purchase” shall mean the Contract of Purchase by and among the District, the County and the Underwriter relating to the Bonds.

“Conversion Date” shall mean the date on which any Convertible Capital Appreciation Bonds are converted from Capital Appreciation Bonds to Current Interest Bonds.

“Conversion Value” shall mean the Accreted Value of the Convertible Capital Appreciation Bonds at the Conversion Date

“Convertible Capital Appreciation Bonds” shall mean the Refunding Bonds designated as such as provided in Section 8 of this Resolution.

“County” shall mean the County of Los Angeles, California.

“County Office of Education” shall mean the Office of Education of the County and such other persons as may be designated by the County Office of Education to perform the operational and disbursement functions hereunder.

“County Resolution” shall mean the “Resolution of the Board of Supervisors of the County of Los Angeles, California Authorizing the Issuance and Sale of General Obligation Bonds, Election of 2008, Series 2011 of Los Nietos School District (the “District”) in an Aggregate Principal Amount Not To Exceed Seven Million, Five Hundred Thousand Dollars (\$7,500,000)” as amended or supplemented from time to time by Supplemental Resolutions in accordance with the terms thereof.

“Current Interest Bonds” shall mean the Refunding Bonds designated as such as provided in Section 8 of this Resolution.

“Debt Service” shall have the meaning given to that term in Section 19 of this Resolution.

“Defeasance Securities” shall mean lawful money or noncallable direct obligations issued by the United States Treasury or obligations which are unconditionally guaranteed by the United States of America and permitted under Section 149(c) of the Code and Regulations which, in the opinion of nationally recognized bond counsel, will not impair the exclusion from gross income for Federal income tax purposes of interest on the Refunding Bonds.

“Depository” shall mean DTC and its successors and assigns or if (a) the then Depository resigns from its functions as securities depository of the Refunding Bonds, or (b) the District discontinues use of the Depository pursuant to this Resolution, any other securities depository which agrees to follow procedures required to be followed by a securities depository in connection with the Refunding Bonds and which is selected by the District.

“District” shall mean Los Nietos School District.

“DTC” shall mean The Depository Trust Company, New York, New York, and its successors and assigns.

“Escrow Agent” shall mean U.S. Bank National Association as escrow agent under the Escrow Agreement, and its successors.

“Escrow Agreement” shall mean the Escrow Agreement between the District and the Escrow Agent.

“Federal Securities” shall mean direct obligations of the United States Treasury or obligations which are unconditionally guaranteed by the United States or which are issued or guaranteed by the Export-Import Bank of the United States, the Farmers Home Administration, the General Services Administration, the Small Business Administration, the Government National Mortgage Association, the United States Department of Housing and Urban Affairs and the Federal Housing Administration (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States), provided the principal of and interest on such obligations are backed by the full faith and credit of the United States of America.

“Fiscal Year” shall mean the twelve-month period commencing on July 1 of each year and ending on the following June 30 or any other fiscal year selected by the District.

“Interest Payment Date” shall mean with respect to (i) any Current Interest Bond, February 1 and August 1 in each year, or as otherwise specified in the Contract of Purchase, commencing on the date specified in the Contract of Purchase; (ii) any Capital Appreciation Bond, the maturity or mandatory redemption date or optional redemption date thereof, as applicable, or in each case, such other dates as specified in the Contract of Purchase; and (iii) any Convertible Capital Appreciation Bond, the first February 1 and August 1 after the Conversion Date for such Bond, and each February 1 and August 1 thereafter.

“Maturity Amount” shall mean the Accreted Value of any Capital Appreciation Bond on its maturity date.

“Moody’s” shall mean Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, except that if such corporation shall no longer perform the functions of a securities rating agency for any reason, the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the District.

“MSRB” means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive the reports described in the Continuing Disclosure Certificate. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“New Money Bonds” shall mean those Bonds issued by the County on behalf of the District for the purpose to finance the acquisition, expansion and construction of the Projects and pay related costs of issuance pursuant to Section 53506 et. seq. of the Government Code, applicable provisions of the Education Code of the State of California, and other applicable law.

“Nominee” shall mean the nominee of the Depository which may be the Depository, as determined from time to time by the Depository.

“Nonarbitrage Certificate” shall mean the Tax and Nonarbitrage Certificate of the District delivered in connection with the issuance of the Refunding Bonds.

“Official Statement” shall mean the official statement of the District describing the Bonds.

“Outstanding” when used with reference to the Refunding Bonds, shall mean, as of any date, Bonds theretofore issued or thereupon being issued under this Resolution except:

- (i) Refunding Bonds canceled at or prior to such date;
- (ii) Refunding Bonds in lieu of or in substitution for which other Bonds shall have been delivered pursuant to Section 16 hereof;
- (iii) Refunding Bonds for the payment or redemption of which funds or eligible securities in the necessary amount shall have been set aside (whether on or prior to the maturity or redemption date of such Refunding Bonds), in accordance with Section 43 of this Resolution.

“Owner” shall mean the registered owner, as indicated in the Bond Register, of any Refunding Bond.

“Participant” shall mean a member of or participant in the Depository.

“Paying Agent” shall mean the paying agent designated pursuant to Section 32 hereof.

“Pledged Moneys” shall have the meaning given to that term in Section 20 of this Resolution.

“Preliminary Official Statement” shall mean the preliminary official statement of the District describing the Bonds.

“Previous Resolution” shall mean that resolution of the board of trustees of the District adopted on May 11, 2011 requesting the issuance of a series of bonds in the aggregate initial principal amount not to exceed Eight Million, Five Hundred Thousand Dollars (\$8,500,000).

“Principal” or “Principal Amount” shall mean, as of any date of calculation, with respect to (i) any Current Interest Bond, the principal amount thereof, and (ii) any Capital Appreciation Bond or Convertible Capital Appreciation Bond, the Accreted Value thereof.

“Record Date” shall mean the close of business on the fifteenth calendar day of the month next preceding an Interest Payment Date.

“Refunding Bond Insurance Policy” shall mean any insurance policy issued by the Refunding Bond Insurer guaranteeing the scheduled payment of Principal and interest in respect of the Refunding Bonds when due.

“Refunding Bond Insurer” shall mean any insurer chosen to insure repayment of the Refunding Bonds.

“Refunding Bonds” shall mean any Bonds issued hereunder for the purpose of defeasing or refunding the Prior Bonds and paying Refunding Costs of Issuance.

“Refunding Costs of Issuance” shall mean all of the costs of issuing the Refunding Bonds, including but not limited to, to the extent allocable to the Refunding Bonds, all printing and document preparation expenses in connection with this Resolution, the County Resolution, the Previous Resolution, the Refunding Bonds and the Preliminary Official Statement and the Official Statement (as hereinafter defined) and any and all other agreements, instruments, certificates or other documents prepared in connection therewith; financial advisory fees; underwriter’s fees; rating agency fees; auditor’s fees; CUSIP service bureau charges; legal fees and expenses of counsel with respect to the financing; the initial fees and expenses of the Paying Agent; the fees and expenses of the Escrow Agent; fees and expenses of any verification agent; fees for credit enhancement (if any) relating to the Refunding Bonds; and other fees and expenses incurred in connection with the issuance of the Refunding Bonds, to the extent such fees and expenses are approved by the District.

“Refunding Debt Service Fund” shall mean the Refunding Debt Service Fund established pursuant to Section 19 of this Resolution.

“Regulations” shall mean the regulations of the United States Department of the Treasury proposed or promulgated under Sections 103 and 141 through 150 of the Code which by their terms are effective with respect to the Refunding Bonds and similar Treasury Regulations to the extent not inconsistent with Sections 103 and 141 through 150 of the Code, including regulations promulgated under Section 103 of the Internal Revenue Code of 1954, as amended.

“Resolution” shall mean collectively, the Previous Resolution, and this “Resolution of the Board of Trustees of Los Nietos School District Authorizing the Issuance and Sale of General Obligation Refunding Bonds, Series 2011 of the District, Approving a Preliminary Official Statement and Other Financing Documents and Certain Other Matters Relating Thereto” as amended or supplemented from time to time by Supplemental Resolutions in accordance with the terms hereof.

“S&P” shall mean Standard & Poor’s Ratings Services, a corporation organized and existing under the laws of the State of New York, its successors and assigns, except that if such corporation shall no longer perform the functions of a securities rating agency for any reason, the term “S&P” shall be deemed to refer to any other nationally recognized securities rating agency selected by the District.

“Securities Depositories” shall mean The Depository Trust Company, 55 Water Street, New York, New York 10041, Facsimile transmission: (212) 785-9681, (212) 855-3215, and, in accordance with then-current guideline of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the District may designate in a Certificate delivered to the Paying Agent.

“State” shall mean the State of California.

“Superintendent” shall mean the Superintendent of the District.

“Supplemental Resolution” shall mean any resolution supplemental to or amendatory of this Resolution, adopted by the District in accordance with Section 40 or Section 41 hereof.

“Tax-Exempt Excess Earnings Fund” shall mean the Tax-Exempt Excess Earnings Fund established pursuant to Section 20 of the County Resolution.

“Transfer Amount” shall mean, with respect to (i) any Outstanding Current Interest Bond, the aggregate Principal Amount thereof; (ii) any Outstanding Capital Appreciation Bond, the Maturity Amount thereof; and (iii) any Outstanding Convertible Capital Appreciation Bond, the Conversion Value thereof.

“Treasurer” shall mean the Treasurer and Tax Collector of the County or any authorized deputy thereof and any such other persons as may be designated by the Treasurer to act on his or her behalf.

“Underwriter” shall mean George K. Baum & Company.

SECTION 2. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders, and vice versa. Except where the context otherwise requires, words importing the singular shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

SECTION 3. Authority for this Resolution. This Resolution is adopted pursuant to the provisions of the Authorizing Law and other applicable law.

SECTION 4. Resolution to Constitute Contract. In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued hereunder by those who shall own the same from time to time, this Resolution shall be deemed to be and shall constitute a contract among the District and the Owners from time to time of the Bonds; and the pledge made in this Resolution shall be for the equal benefit, protection and security of the Owners of any and all of the Bonds, all of which, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof.

SECTION 5. Approval of Documents.

(a) Each Authorized Officer, in consultation with the Underwriter, the District's financial advisor and bond counsel and the other officers of the District are, and each of them acting alone is, hereby authorized and directed to issue and deliver the Refunding Bonds and to establish the initial aggregate Principal Amount of the Refunding Bonds; provided, however, that such initial aggregate Principal Amount shall not exceed the maximum aggregate of \$1,000,000.

(b) Each Authorized Officer, in consultation with the County, the Underwriter, the District's financial advisor and bond counsel and the other officers of the District are, and each of them acting alone is, hereby authorized and directed to issue and deliver the New Money Bonds and to establish the initial aggregate Principal Amount of the New Money Bonds; provided, however, that such initial aggregate Principal Amount shall not exceed the maximum aggregate of \$7,500,000.

(c) The form of the Contract of Purchase is hereby approved. The Authorized Officers are, and each of them acting alone is, authorized and directed to execute and deliver one or more Contracts of Purchase for and in the name and on behalf of the District, with such additions, changes or corrections therein as the Authorized Officer executing the same on behalf of the District may approve, in his or her discretion, as being in the best interests of the District including, without limitation, such changes as may be necessary to obtain credit enhancement, including bond insurance or liquidity support, with respect to the Bonds, such approval to be conclusively evidenced by such Authorized Officer's execution thereof, and any other documents required to be executed thereunder, and to deliver the same to the Underwriter. The Authorized Officers are, and each of them acting alone is, hereby authorized and directed to determine the specific maturities and amounts of 2008 Bonds or portions thereof to be refunded based upon market conditions existing at the time of the pricing of the Bonds. The Authorized Officers are, and each of them acting alone is, hereby authorized and directed to negotiate with

the Underwriter the interest rates, not to exceed a true interest cost of 8%, on the Bonds and the Underwriter's discount, if any, on the purchase price of the Bonds, not to exceed 1.5% (not including original issue discount or costs of issuance) of the principal amount of the Bonds.

(d) The form of the Escrow Agreement is hereby approved. The Authorized Officers are, and each of them acting alone is, hereby authorized and directed, for and in the name of and on behalf of the District, to execute and deliver the Escrow Agreement in substantially the form on file with the District and considered at this meeting, with such changes therein as the Authorized Officer executing the same on behalf of the District may approve, in his or her discretion, as being in the best interests of the District, such approval to be conclusively evidenced by the execution and delivery of the Escrow Agreement by such Authorized Officer. The Authorized Officers and each of them acting alone is hereby authorized and directed to make changes to the Escrow Agreement to achieve the purposes for which the Refunding Bonds are being executed and delivered.

(e) The form of the Continuing Disclosure Certificate is hereby approved. The Authorized Officers are, and each of them acting alone is, hereby authorized to execute and deliver the Continuing Disclosure Certificate on behalf of the District, with such changes therein as the officer executing the same on behalf of the District may approve, in his or her discretion, as being in the best interests of the District, such approval to be conclusively evidenced by such Authorized Officer's execution thereof, and any other documents required to be executed thereunder, and to deliver the same to the Underwriter. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Resolution, failure of the District to comply with the Continuing Disclosure Certificate shall not be considered an event of default and shall not be deemed to create any monetary liability on the part of the District to any other persons, including owners of the Bonds.

(f) The form of the Preliminary Official Statement relating to the Bonds is hereby approved. This Board of Trustees also hereby authorizes the use and distribution of: (a) one or more Preliminary Official Statements in substantially the form presented to this Board with such changes as the Authorized Officer executing the certificate described below may approve, such approval to be conclusively evidenced by the execution of such certificate by such Authorized Officer; and (b) one or more official statements in substantially the form of the Preliminary Official Statement(s) with such changes as may be necessary or desirable in connection with the sale of the Bonds as determined by the Authorized Officer executing the same (each an "**Official Statement**"), such determination to be conclusively evidenced by the execution and delivery of the Official Statement(s) by such Authorized Officer; and (c) any amendments or supplements to the Preliminary Official Statement(s) or the Official Statement(s) which an Authorized Officer may deem necessary or desirable, such determination to be conclusively evidenced by the execution of such amendment or supplement or of a certificate as described below by such Authorized Officer. The Authorized Officers are, and each of them acting alone hereby is, authorized to approve such additions, deletions or changes to the Preliminary Official Statement(s) and Official Statement(s), as are necessary or desirable to effect the purposes of this Resolution and to comply with applicable laws and to deliver copies of the Preliminary Official Statement and the Official Statement, and to execute the Official Statement or Official Statements. Upon approval of the Preliminary Official Statement by an

Authorized Officer (such approval to be evidenced by execution of a certificate substantially in the form of Exhibit B attached hereto and by this reference incorporated herein, with such changes as may be necessary), the Preliminary Official Statement shall be deemed final as of its date except for the omission of certain information as provided in and pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended.

(g) This Board of Trustees also hereby authorizes the preparation of a paying agent agreement in connection with the Bonds, in such form as shall be determined by an Authorized Officer, such determination to be conclusively evidenced by the execution and delivery of the paying agent agreement by such Authorized Officer.

SECTION 6. Authorization of Officers. The officers of the District, including but not limited to the Superintendent, and their authorized representatives are, and each of them acting alone is, hereby authorized to execute any and all documents and do and perform any and all acts and things, from time to time, consistent with this Resolution and necessary or appropriate to carry the same into effect and to carry out its purpose.

SECTION 7. Use of Bond Proceeds. Refunding Bonds of the District shall be issued in the name and on behalf of the District in an aggregate Principal Amount not to exceed \$1,000,000. The proceeds of the Refunding Bonds, together with other available funds, shall be applied to pay the principal of and interest and redemption premiums on the Prior Bonds as they become due or at designated dates prior to maturity and to pay Refunding Costs of Issuance.

SECTION 8. Designation and Form; Payment.

(a) An issue of Refunding Bonds of one or more series entitled to the benefit, protection and security of this Resolution is hereby authorized in an aggregate initial Principal Amount not to exceed \$1,000,000. Such Refunding Bonds shall be general obligations of the District, payable as to Principal, premium, if any, and interest from ad valorem taxes to be levied upon all of the taxable property in the District. The Refunding Bonds shall be designated the "Los Nietos School District General Obligation Refunding Bonds, Series 2011." The Refunding Bonds may be issued as Current Interest Bonds, Capital Appreciation Bonds, and/or Convertible Capital Appreciation Bonds, and as serial bonds and/or term bonds, as set forth in the Contract of Purchase, subject to the provisions of this Resolution.

(b) The form of the Refunding Bonds shall be substantially in conformity with the standard forms of registered school district bonds, copies of which are attached hereto as Exhibit A-1, Exhibit A-2 and Exhibit A-3 and incorporated herein by this reference.

(c) Principal, premium, if any, and interest with respect to any Refunding Bond are payable in lawful money of the United States of America. Principal and premium, if any, is payable upon surrender thereof at maturity or earlier redemption at the office designated by the Paying Agent in Los Angeles County, or in the City and County of San Francisco, California.

SECTION 9. Description of Current Interest Bonds.

(a) The Current Interest Bonds shall be issued in fully registered form, without coupons, in denominations of \$5,000 or any integral multiple thereof, except as provided in the Contract of Purchase. The Current Interest Bonds shall be dated and shall mature on the dates, in the years and in the Principal Amounts, and interest shall be computed at the rates, set forth in the Contract of Purchase.

(b) Interest on each Current Interest Bond shall accrue from its dated date as set forth in the Contract of Purchase. Interest on Current Interest Bonds shall be computed using a year of 360 days comprised of twelve 30-day months and shall be payable on each Interest Payment Date to the Owner thereof as of the close of business on the Record Date. Interest with respect to each Current Interest Bond will be payable from the Interest Payment Date next preceding the date of registration thereof, unless (i) it is registered after the close of business on any Record Date and before the close of business on the immediately following Interest Payment Date, in which event interest with respect thereto shall be payable from such following Interest Payment Date; or (ii) it is registered prior to the close of business on the first Record Date, in which event interest shall be payable from its dated date; provided, however, that if at the time of registration of any Current Interest Bond interest with respect thereto is in default, interest with respect thereto shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment. Payments of interest on the Current Interest Bonds will be made on each Interest Payment Date by check or draft of the Paying Agent sent by first-class mail, postage prepaid, to the Owner thereof as of the close of business on the Record Date, or by wire transfer to any Owner of \$1,000,000 Principal Amount or more of such Current Interest Bonds, to the account specified by such Owner in a written request delivered to the Paying Agent on or prior to the Record Date for such Interest Payment Date; provided, however, that payments of defaulted interest shall be payable to the person in whose name such Current Interest Bond is registered at the close of business on a special record date fixed therefor by the Paying Agent which shall not be more than fifteen days and not less than ten days prior to the date of the proposed payment of defaulted interest.

SECTION 10. Description of Capital Appreciation Bonds.

(a) The Capital Appreciation Bonds shall be issued in fully registered form in any denominations of their principal amounts but shall reflect denominations of \$5,000 Maturity Amount or any integral multiple thereof, except as otherwise provided in the Contract of Purchase. The Capital Appreciation Bonds shall be dated the date of their issuance, shall be issued in the aggregate principal amounts as of the date of issuance, shall mature on the dates, in the years and in the Maturity Amounts, and shall accrete interest at the accretion rate all as set forth in the Contract of Purchase.

(b) Interest on each Capital Appreciation Bond shall be compounded semiannually on February 1 and August 1 of each year, or such other dates as are set forth in the Contract of Purchase, until maturity, commencing on the date set forth in the Contract of Purchase, computed using a year of 360 days comprised of twelve 30-day months and shall be payable only at maturity as part of the Maturity Amount or upon prior redemption, if any, unless otherwise provided in the Contract of Purchase.

SECTION 11.

Description of Convertible Capital Appreciation Bonds

(a) The Convertible Capital Appreciation Bonds shall be issued in fully registered form in any denominations of their initial Principal Amounts but shall reflect denominations of \$5,000 Conversion Value or any integral multiple thereof, except as otherwise provided in the Contract of Purchase. The Convertible Capital Appreciation Bonds shall be dated the date of their issuance, shall be issued in the aggregate principal amounts as of the date of issuance, shall convert and mature on the dates, in the years and in the Conversion Value, and shall, prior to the Conversion Date thereof, accrete interest at the accretion rate, and subsequent to the Conversion Date, bear interest on an amount equal to the Conversion Value thereof, all as set forth in the Contract of Purchase.

(b) Prior to the Conversion Date, interest on each Convertible Capital Appreciation Bond shall be accreted and compounded semiannually on February 1 and August 1 of each year, or such other dates as are set forth in the Contract of Purchase, until the Conversion Date thereof, commencing on the date set forth in the Contract of Purchase, computed using a year of 360 days comprised of twelve 30 day months and shall be payable only at maturity as part of the Conversion Value or upon prior redemption, if any, unless otherwise provided in the Contract of Purchase. No payment of interest will be made to the owners of Convertible Capital Appreciation Bonds prior to or on the Conversion Date.

(c) From and after the Conversion Date, the Convertible Capital Appreciation Bonds will bear interest on a principal amount equal to the Conversion Value thereof. Interest on each Convertible Capital Appreciation Bond shall be computed using a year of 360 days comprised of twelve 30-day months. After the Conversion Date, current interest with respect to each Convertible Capital Appreciation Bond shall be payable on each Interest Payment Date to the Owner thereof as of the close of business on the Record Date. Interest with respect to each Convertible Capital Appreciation Bond will be payable from the Interest Payment Date next preceding the date of registration thereof, unless (i) it is registered after the close of business on any Record Date and before the close of business on the immediately following Interest Payment Date, in which event interest with respect thereto shall be payable from such following Interest Payment Date; or (ii) it is registered prior to the close of business on the first Record Date preceding the first Interest Payment Date after the Conversion Date, in which event interest shall be payable from its Conversion Date; provided, however, that if at the time of registration of any Convertible Capital Appreciation Bond interest with respect thereto is in default, interest with respect thereto shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment. From and after the Conversion Date, payments of current interest with respect to the Convertible Capital Appreciation Bonds will be made on each Interest Payment Date by check or draft of the Paying Agent sent by first-class mail, postage prepaid, to the Owner thereof as of the close of business on the Record Date, or by wire transfer to any Owner of \$1,000,000 Conversion Value or more of such Convertible Capital Appreciation Bonds, to the account specified by such Owner in a written request delivered to the Paying Agent on or prior to the Record Date for such Interest Payment Date; provided, however, that payments of defaulted interest shall be payable to the person in whose name such Convertible Capital Appreciation Bond is registered at the close of business on a special record date fixed therefor by the Paying Agent which shall not be more than fifteen days and not less than ten days prior to the date of the proposed payment of defaulted interest.

SECTION 12. Tax Covenant. In addition to certain covenants made by the District in the Previous Resolution and any additional covenants made in the Nonarbitrage Certificate and any Tax and Nonarbitrage Certificate relating to the New Money Bonds that it executes in connection with the issuance of the Bonds, in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Refunding Bonds, this Board of Trustees hereby covenants to comply with each applicable requirement of Section 103 and Sections 141 through 150 of the Internal Revenue Code of 1986, as amended. In furtherance of this covenant, the District agrees to comply with the covenants contained in the Nonarbitrage Certificate and in any Tax and Nonarbitrage Certificate relating to the New Money Bonds related to such Refunding Bonds. The District hereby agrees to deliver instructions to the Paying Agent in order to comply with such Nonarbitrage Certificate.

SECTION 13. Book-Entry System.

(a) The Refunding Bonds shall be initially issued in the form of a separate single fully registered Refunding Bond (which may be typewritten) for each of the maturities of the Refunding Bonds. Upon initial issuance, the ownership of each such global Refunding Bond shall be registered in the Bond Register in the name of the Nominee as nominee of the Depository. Except as provided in subsection (b) hereof, all of the Outstanding Refunding Bonds shall be registered in the Bond Register in the name of the Nominee and the Refunding Bonds may be transferred, in whole but not in part, only to the Depository, to a successor Depository or to another nominee of the Depository or of a successor Depository. Each global Refunding Bond shall bear a legend substantially to the following effect: “UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE RESOLUTION) TO THE BOND REGISTRAR FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.”

With respect to Refunding Bonds registered in the Bond Register in the name of the Nominee, the District shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds a beneficial interest in the Refunding Bonds. Without limiting the immediately preceding sentence, the District shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Participant with respect to any beneficial ownership interest in the Refunding Bonds, (ii) the delivery to any Participant, beneficial owner or any other person, other than the Depository, of any notice with respect to the Refunding Bonds, including any Redemption Notice (as defined in Section 29 below), (iii) the selection by the Depository and the Participants of the beneficial interests in the Refunding Bonds to be redeemed in part, or (iv) the payment to any Participant, beneficial owner or any other person, other than the Depository, of any amount with respect to Principal of, premium, if any, and interest on the Refunding Bonds. The District and the Paying Agent may treat and consider the person in whose name each Refunding Bond is registered in the

Bond Register as the holder and absolute Owner of such Refunding Bond for the purpose of payment of Principal of, premium, if any, and interest on such Refunding Bond, for the purpose of giving Redemption Notices and other notices with respect to such Refunding Bond, and for all other purposes whatsoever, including, without limitation, registering transfers with respect to the Refunding Bonds.

The Paying Agent shall pay all Principal of, premium, if any, and interest on the Refunding Bonds only to the respective Owners, as shown in the Bond Register, and all such payments shall be valid hereunder with respect to payment of Principal of, premium, if any, and interest on the Refunding Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Bond Register, shall receive a Refunding Bond evidencing the obligation to make payments of Principal of, premium, if any, and interest, pursuant to this Resolution. Upon delivery by the Depository to the Paying Agent and the District of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions hereof with respect to Record Dates, the word Nominee in this Resolution shall refer to such new nominee of the Depository.

(b) In order to qualify the Refunding Bonds for the Depository's book-entry system, the District is hereby authorized to execute and deliver to such Depository a letter from the District representing such matters as shall be necessary to so qualify the Refunding Bonds (the "**Representation Letter**"). The execution and delivery of the Representation Letter shall not in any way limit the provisions of subsection (a) hereof or in any other way impose upon the District any obligation whatsoever with respect to persons having beneficial interests in the Refunding Bonds other than the Owners, as shown in the Bond Register. In addition to the execution and delivery of the Representation Letter, the District, and its deputies and designees, are hereby authorized to take any other actions, not inconsistent with this Resolution, to qualify the Refunding Bonds for the Depository's book-entry program.

(c) If at any time the Depository notifies the District that it is unwilling or unable to continue as Depository with respect to the Refunding Bonds or if at any time the Depository shall no longer be registered or in good standing under the Securities Exchange Act or other applicable statute or regulation and a successor Depository is not appointed by the District within 90 days after the District receive notice or become aware of such condition, as the case may be, subsection (a) hereof shall no longer be applicable and the District shall cause the issuance of bonds representing the Refunding Bonds as provided below. In addition, the District may determine at any time that the Refunding Bonds shall no longer be represented by global bonds and that the provisions of subsection (a) hereof shall no longer apply to the Refunding Bonds. In any such event the District shall cause the execution and delivery of bonds representing the Refunding Bonds as provided below. Refunding Bonds issued in exchange for global bonds pursuant to this subsection (c) shall be registered in such names and delivered in such denominations as the Depository shall instruct the District. The District shall cause delivery of such bonds representing the Refunding Bonds to the persons in whose names such Bonds are so registered.

If the District determines to replace the Depository with another qualified securities depository, the District shall prepare or cause to be prepared a new fully-registered global bond for each of the maturities of Refunding Bonds, registered in the name of such

successor or substitute securities depository or its nominee, or make such other arrangements as are acceptable to the District and such securities depository and not inconsistent with the terms of this Resolution.

(d) Notwithstanding any other provision of this Resolution to the contrary, so long as any Refunding Bond is registered in the name of the Nominee, all payments with respect to Principal of, premium, if any, and interest on such Refunding Bond and all notices with respect to such Refunding Bond shall be made and given, respectively, as provided in the Representation Letter or as otherwise instructed by the Depository.

(e) The initial Depository under this Resolution shall be DTC. The initial Nominee shall be Cede & Co., as nominee of DTC.

SECTION 14. Execution of the Bonds.

(a) The Refunding Bonds shall be executed in the manner required by the Authorizing Law. In case any one or more of the officers who shall have signed any of the Refunding Bonds shall cease to be such officer before the Refunding Bonds so signed shall have been issued by the District, such Refunding Bonds may, nevertheless, be issued, as herein provided, as if the persons who signed such Refunding Bonds had not ceased to hold such offices. Any of the Refunding Bonds may be signed on behalf of the District by such persons as at the time of the execution of such Refunding Bonds shall be duly authorized to hold or shall hold the proper offices in the District, although at the date borne by the Refunding Bonds such persons may not have been so authorized or have held such officers.

(b) The Refunding Bonds shall bear thereon a certificate of authentication executed manually by the Paying Agent. Only such Refunding Bonds as shall bear thereon such certificate of authentication duly executed by the Paying Agent shall be entitled to any right or benefit under this Resolution and no Refunding Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Paying Agent. Such certificate of the Paying Agent upon any Refunding Bond shall be conclusive evidence that the Refunding Bond so authorized has been duly authenticated and delivered under this Resolution and that the Owner thereof is entitled to the benefit of this Resolution.

SECTION 15. Transfer and Exchange. The registration of any Refunding Bond may be transferred upon the Bond Register upon surrender of such Refunding Bond to the Paying Agent. Such Refunding Bond shall be endorsed or accompanied by delivery of the written instrument of transfer shown in Exhibit A-1, A-2 or A-3 hereto, as applicable, duly executed by the Owner or his duly authorized attorney, and payment of such reasonable transfer fees as the Paying Agent may establish. Upon such registration of transfer, a new Refunding Bond or Refunding Bonds, of like tenor and maturity in the same Transfer Amount and in authorized denominations, will be executed and delivered to the transferee in exchange therefor.

The Paying Agent shall deem and treat the person in whose name any Outstanding Refunding Bond shall be registered upon the Bond Register as the absolute owner of such Refunding Bond, whether the Principal, premium, if any, or interest with respect to such Refunding Bond shall be overdue or not, for the purpose of receiving payment of Principal,

premium, if any, and interest with respect to such Refunding Bond and for all other purposes, and any such payments so made to any such Owner or upon his order shall be valid and effective to satisfy and discharge the liability upon such Refunding Bond to the extent of the sum or sums so paid, and the District or the Paying Agent shall not be affected by any notice to the contrary.

Refunding Bonds may be exchanged at the office of the Paying Agent for Refunding Bonds of like tenor, maturity and Transfer Amount of other authorized denominations. All Refunding Bonds surrendered in any such exchange shall thereupon be cancelled by the Paying Agent. The Paying Agent may charge the Owner a reasonable sum for each new Refunding Bond executed and delivered upon any exchange (except in the case of the first exchange of any Refunding Bond in the form in which it is originally delivered, for which no charge shall be imposed) and the Paying Agent may require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Paying Agent shall not be required to register the transfer or exchange of any Refunding Bond (i) during the period beginning at the close of business on any Record Date through the close of business on the immediately following Interest Payment Date, or (ii) that has been called or is subject to being called for redemption, during a period beginning at the opening of business 15 days before any selection of Refunding Bonds to be redeemed through the close of business on the applicable redemption date, except for the unredeemed portion of any Refunding Bond to be redeemed only in part.

SECTION 16. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Refunding Bond shall become mutilated, the Paying Agent, at the expense of the Owner, shall deliver a new Refunding Bond of like date, interest rate, maturity, Transfer Amount, series and tenor as the Refunding Bond so mutilated in exchange and substitution for such mutilated Refunding Bond, upon surrender and cancellation thereof. All Refunding Bonds so surrendered shall be cancelled. If any Refunding Bond shall be destroyed, stolen or lost, evidence of such destruction, theft or loss may be submitted to the Paying Agent and if such evidence is satisfactory to the Paying Agent that such Refunding Bond has been destroyed, stolen or lost, and upon furnishing the Paying Agent with indemnity satisfactory to the Paying Agent and complying with such other reasonable regulations as the Paying Agent may prescribe and paying such expenses as the Paying Agent may incur, the Paying Agent shall, at the expense of the Owner, execute and deliver a new Refunding Bond of like date, interest rate, maturity, Transfer Amount and tenor in lieu of and in substitution for the Refunding Bond so destroyed, stolen or lost. Any new Refunding Bonds issued pursuant to this section in substitution for Refunding Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the District, whether or not the Refunding Bonds so alleged to be destroyed, stolen or lost are at any time enforceable by anyone, and shall be equally secured by and entitled to equal and proportionate benefits with all other Refunding Bonds issued under this Resolution in any moneys or securities held by the Paying Agent for the benefit of the Owners of the Refunding Bonds.

SECTION 17. Bond Register. The Paying Agent shall keep or cause to be kept at its office sufficient books for the registration and registration of transfer of the Refunding Bonds. Upon presentation for registration of transfer, the Paying Agent shall, as

above provided and under such reasonable regulations as it may prescribe subject to the provisions hereof, register or register the transfer of the Refunding Bonds, or cause the same to be registered or cause the registration of the same to be transferred, on such books. While the Refunding Bonds are held in the book-entry system, the Paying Agent is not required to keep the registration books.

SECTION 18. Unclaimed Money. All money which the Paying Agent shall have received from any source and set aside for the purpose of paying or redeeming any of the Refunding Bonds shall be held in trust for the respective Owners of such Refunding Bonds, but any money which shall be so set aside or deposited by the Paying Agent and which shall remain unclaimed by the Owners of such Refunding Bonds for a period of one year after the date on which any payment or redemption with respect to such Refunding Bonds shall have become due and payable shall be transferred to the General Fund of the District; provided, however, that the Paying Agent, before making such payment, shall cause notice to be mailed to the Owners of such Refunding Bonds, by first-class mail, postage prepaid, not less than 90 days prior to the date of such payment to the effect that said money has not been claimed and that after a date named therein any unclaimed balance of said money then remaining will be transferred to the General Fund of the District under the order of the County Office of Education. Thereafter, the Owners of such Refunding Bonds shall look only to the General Fund of the District for payment of such Refunding Bonds.

SECTION 19. Application of Proceeds; Escrow Agreements; Refunding Debt Service Fund.

(a) Proceeds from the sale of the Refunding Bonds, including any premium received by the District from the sale of the Refunding Bonds, shall be transferred to the Escrow Agent for deposit in an Escrow Fund established under the Escrow Agreement in an amount necessary to purchase the Defeasance Securities needed to defease and redeem the Prior Bonds, all as set forth in a certificate of a District official.

(b) Accrued interest, if any, shall be kept separate and apart in the fund hereby created and established and to be designated as the "Los Nietos School District General Obligation Refunding Bonds, Election of 2008, Series 2011 Debt Service Fund" or as otherwise designated by the Treasurer (the "**Refunding Debt Service Fund**") and used only for payments of Principal of and interest on the Refunding Bonds. The Treasurer is directed to create any accounts and subaccounts in the Refunding Debt Service Fund as provided in the Nonarbitrage Certificate. Any excess proceeds of the Refunding Bonds not needed for the authorized purposes set forth herein for which the Refunding Bonds are being issued shall be transferred to the Refunding Debt Service Fund and applied to the payment of Principal of and interest on the Refunding Bonds, except as provided in the Nonarbitrage Certificate and any Tax and Nonarbitrage Certificate relating to the New Money Bonds.

(c) All Pledged Moneys shall be deposited upon collection by the County into the Refunding Debt Service Fund and used for the payment of the Principal of, premium, if any, and interest on the Refunding Bonds.

(d) On the Business Day immediately preceding each Interest Payment Date if the Paying Agent is not the Treasurer, and on the Interest Payment Date if the Paying Agent is the Treasurer, the District shall transfer or cause to be transferred from the Refunding Debt Service Fund to the Paying Agent, an amount, in immediately available funds, sufficient to pay all the Principal of, premium, if any, and interest on the Refunding Bonds (collectively, the **“Debt Service”**) on such Payment Date. Debt Service on the Refunding Bonds shall be paid by the Paying Agent in the manner provided by law for the payment of Debt Service.

(e) The District may, from time to time, from other available sources, cause moneys to be transferred or deposited to the Refunding Debt Service Fund, including as to the extent needed to comply with the Nonarbitrage Certificate and any Tax and Nonarbitrage Certificate relating to the New Money Bonds. Any amounts on deposit in the Refunding Debt Service Fund when there are no longer any Refunding Bonds Outstanding shall be transferred to the credit of the general fund of the District subject to any conditions set forth in the Nonarbitrage Certificate and in any Tax and Nonarbitrage Certificate relating to the New Money Bonds.

SECTION 20. Payment and Security for the Bonds. There shall be levied on all the taxable property in the District, in addition to all other taxes a continuing direct ad valorem tax annually during the period the Refunding Bonds are outstanding in an amount sufficient to pay the principal of and interest on the Refunding Bonds when due, which monies when collected will be placed in the Refunding Debt Service Fund of the District, which fund is irrevocably pledged for the payment of the principal of and interest on the Refunding Bonds when and as the same fall due (the **“Pledged Moneys”**). The District covenants to cause the County to take all actions necessary to levy such ad valorem tax, in accordance with this Section and Section 53559 of the Government Code.

Except as required below to satisfy the requirements of Section 148(f) of the Code, interest earned on the investment of monies held in the Refunding Debt Service Fund shall be retained in the Refunding Debt Service Fund and used to pay principal and interest on the Refunding Bonds when due.

SECTION 21. Application of Tax-Exempt Excess Earnings Fund. The District shall transfer, or cause to be transferred, moneys to the Tax-Exempt Excess Earnings Fund established pursuant to the County Resolution in accordance with the provisions of the Nonarbitrage Certificate and any Tax and Nonarbitrage Certificate relating to the New Money Bonds.

SECTION 22. Payments of Refunding Costs of Issuance. Proceeds of the sale of the Refunding Bonds necessary to pay all costs of issuing such Refunding Bonds shall be deposited in the fund of the District known as the “Los Nietos School District Refunding Cost of Issuance Fund” (the **“Refunding Cost of Issuance Fund”**) and shall be kept separate and distinct from all other District funds, and those proceeds shall be used solely for the purpose of paying Refunding Costs of Issuance of the Bonds. The Refunding Cost of Issuance Fund may be held and administered by the Paying Agent or the County, or any other party as is designated by the District, the Paying Agent or the County in accordance with the provisions of the Authorizing Law. Notwithstanding the foregoing, all or a portion of the Refunding Costs of Issuance may be

paid by the Underwriter on behalf of the District. The Underwriter may use a third party, including but not limited to the Paying Agent, to administer payment of costs of issuance on behalf of the Underwriter. Any amounts retained by the Underwriter for payment of Refunding Costs of Issuance and returned to the District pursuant to the Contract of Purchase shall be transferred to the Refunding Debt Service Fund to be applied to the payment of Principal of and/or interest on the Refunding Bonds. Any amounts remaining in the Refunding Cost of Issuance Fund on the date that is six months after the issuance of the Refunding Bonds shall be deposited in the Refunding Debt Service Fund unless other instructions are given on the advice of nationally recognized bond counsel or unless otherwise provided in the Nonarbitrage Certificate and any Tax and Nonarbitrage Certificate relating to the New Money Bonds.

SECTION 23. Negotiated Sale/Engagement of Consultants.

(a) The Refunding Bonds shall be sold by negotiated sale to the Underwriter inasmuch as: (i) such a sale will allow the District to integrate the sale of the Refunding Bonds with other public financings undertaken, or to be undertaken, by the District in order to refinance outstanding debt or finance and fund public school facilities; (ii) such a sale will allow the District to utilize the services of consultants who are familiar with the financial needs, status and plans of the District; and (iii) such a sale will allow the District to control the timing of the sale of the Refunding Bonds to the municipal bond market and, potentially, take advantage of interest rate opportunities for favorable sale of the Refunding Bonds to such market.

(b) Caldwell Flores Winters, Inc. has been selected to act as financial advisor to the District, Nixon Peabody LLP has been selected as the District's bond counsel and George K. Baum & Company shall act as underwriter. The estimated costs of issuance associated with the bond sale of the Refunding Bonds are \$29,200 or approximately 2.9% of the estimated par total of \$1,000,000, which include the financial advisor and bond counsel fees, costs of printing the Official Statement, rating agency fees, escrow fees, paying agent fees, and other related costs. In addition to the estimated costs of issuance listed in the prior sentence, the estimated underwriter's discount is 0.9% of the par amount of the Refunding Bonds. The estimated costs of issuance associated with the bond sale of the New Money Bonds are \$150,000 or approximately 2% of the estimated par total of \$7,500,000, which include the financial advisor and bond counsel fees, costs of printing the Official Statement, rating agency fees, paying agent fees, and other related costs. In addition to the estimated costs of issuance listed in the prior sentence, the estimated underwriter's discount is 0.9% of the par amount of the New Money Bonds. An estimate of the itemized fees and expenses is on file with the Superintendent. Also in addition to the estimated costs of issuance listed above, bond insurance on the Refunding Bonds, if purchased, is estimated to cost approximately \$755 and bond insurance on the New Money Bonds, if purchased, is estimated to cost approximately \$100,945. Bond insurance may be purchased only if determined that the savings to the District resulting from the purchase of such bond insurance exceeds the cost thereof pursuant to Section 44 of this Resolution and Section 15 of the Previous Resolution.

SECTION 24. Establishment of Additional Funds and Accounts. If at any time it is deemed necessary or desirable by the District, the Treasurer, the County Office of Education or the District may establish additional funds under this Resolution and/or accounts within any of the funds or accounts established hereunder.

SECTION 25. Request for Necessary County Actions.

(a) The Board of Supervisors, the Auditor-Controller, the Treasurer, and other officials of the County, are hereby requested to take and authorize such actions as may be necessary pursuant to law to provide for the levy and collection of a property tax on all taxable property of the District sufficient to provide for payment of all principal of, redemption premium, if any, and interest on the Refunding Bonds as the same shall become due and payable as necessary for the payment of the Refunding Bonds, and the Clerk of the Board is hereby authorized and directed to deliver certified copies of this Resolution to the Clerk of the Board of Supervisors of the County, the Auditor-Controller of the County, and the Treasurer. The Board hereby agrees to reimburse the County for any costs associated with the levy and collection of said tax, upon such documentation of said costs as the District shall reasonably request.

(b) The Board of Supervisors, the Auditor-Controller, the Treasurer, and other officials of the County, are hereby requested to take and authorize such actions as may be necessary, upon, but only upon, the defeasance or redemption of the Prior Bonds from proceeds of the Refunding Bonds, to discontinue the levy of property taxes on all taxable property of the District for the payment of the Prior Bonds, pursuant to Section 53561 of the Government Code.

SECTION 26. Notice of Redemption of Prior Bonds.

The Escrow Agent is hereby authorized and directed to give notice of redemption of the Prior Bonds, pursuant to the terms of the resolution of the County Board of Supervisors authorizing the issuance thereof and pursuant to the terms of the Escrow Agreement.

SECTION 27. Redemption.

(a) The Current Interest Bonds and Convertible Capital Appreciation Bonds shall be subject to redemption as provided in the Contract of Purchase.

(b) The Capital Appreciation Bonds shall not be subject to optional redemption, except as otherwise provided in the Contract of Purchase. The Capital Appreciation Bonds shall be subject to mandatory redemption prior to their maturity date, by lot, at the Accreted Value thereof, without premium, on the dates, if any, in the years and in an amount equal to the aggregate Accreted Values as and to the extent set forth in the Contract of Purchase.

SECTION 28. Selection of Bonds for Redemption. Whenever provision is made in this Resolution or in the Contract of Purchase for the redemption of the Refunding Bonds and less than all Outstanding Refunding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District given at least 60 days prior to the Payment Date designated for such redemption, shall select the maturities and mandatory sinking fund payments (if applicable) of Refunding Bonds for redemption in the manner directed by the District. If the

District fails to specify, the Paying Agent shall select Bonds for redemption in inverse order of maturity.

Within a maturity, the Paying Agent shall select Refunding Bonds for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that the portion of any Current Interest Bond to be redeemed in part shall be in the Principal Amount of \$5,000 or any integral multiple thereof and the portion of any Capital Appreciation Bond to be redeemed in part shall be in the Maturity Amount of \$5,000 or any integral multiple thereof and the portion of any Convertible Capital Appreciation Bond to be redeemed in part shall be in the Conversion Value of \$5,000 or any integral multiple thereof. The Accreted Value of such Capital Appreciation Bond or Convertible Capital Appreciation Bond shall be determined by reference to a schedule to be provided to the Paying Agent.

SECTION 29. Notice of Redemption. When redemption is authorized or required pursuant to this Resolution or the Contract of Purchase, the Paying Agent, upon written instruction from the District given at least 60 days prior to the date designated for such redemption, or such shorter time as is agreed by the Paying Agent, shall give notice (a **“Redemption Notice”**) of the redemption of the Refunding Bonds. Such Redemption Notice shall specify: (a) the Refunding Bonds or designated portions thereof (in the case of redemption of the Refunding Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price or Accreted Value, (e) the CUSIP numbers (if any) assigned to the Refunding Bonds to be redeemed, (f) the Refunding Bond numbers of the Refunding Bonds to be redeemed in whole or in part and, in the case of any Refunding Bond to be redeemed in part only, the Principal Amount or Accreted Value, as appropriate, of such Refunding Bond to be redeemed, and (g) the original issue date, interest or accretion rate and stated maturity date of each Refunding Bond to be redeemed in whole or in part. Such Redemption Notice shall further state that on the specified date there shall become due and payable upon each Refunding Bond or portion thereof being redeemed (i) the redemption price, together with the interest accrued to the redemption date in the case of Current Interest Bonds, (ii) the Accreted Value in the case of Capital Appreciation Bonds, (iii) in the case of Convertible Capital Appreciation Bonds from and after the Conversion Date, the redemption price, together with the interest accrued to the redemption date or (iv) in the case of Convertible Capital Appreciation Bonds on or prior to the Conversion Date, the Accreted Value, and in each case that from and after such date interest with respect thereto shall cease to accrue or accrete and be payable.

The Paying Agent shall take the following actions with respect to such Redemption Notice:

(a) At least 30 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given to the respective Owners of Refunding Bonds designated for redemption by first class mail, postage prepaid, at their addresses appearing on the Bond Register.

(b) In the event that the Refunding Bonds shall no longer be held in book-entry-only form, at least 30 but not more than 45 days before the redemption date, such

Redemption Notice shall be given by (i) first class mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, (iii) overnight delivery service, to each of the Securities Depositories, or (iv) other delivery method approved by the applicable Securities Depositories.

(c) In the event that the Refunding Bonds shall no longer be held in book-entry-only form, at least 35 but not more than 45 days before the redemption date, such Redemption Notice shall be submitted to the MSRB in electronic format or other format as prescribed by the MSRB.

Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Refunding Bonds. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Refunding Bonds shall bear the CUSIP number identifying, by issue and maturity, the Refunding Bonds being redeemed with the proceeds of such check or other transfer.

SECTION 30. Partial Redemption of Refunding Bonds. Upon the surrender of any Refunding Bond redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof a new Refunding Bond or Refunding Bonds of like tenor and maturity and of authorized denominations equal in Transfer Amounts to the unredeemed portion of the Refunding Bond surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the District shall be released and discharged thereupon from all liability to the extent of such payment.

SECTION 31. Effect of Notice of Redemption. Notice having been given as aforesaid, and the moneys for the redemption (including the interest to the applicable date of redemption) having been set aside for the payment of their redemption price, the Refunding Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Refunding Bonds to be redeemed as provided in Section 27 hereof, together with interest to such redemption date, shall be held by the Paying Agent so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given as aforesaid, then from and after such redemption date, interest with respect to the Refunding Bonds to be redeemed shall cease to accrue and become payable. All money held by or on behalf of the Paying Agent for the redemption of Refunding Bonds shall be held in trust for the account of the Owners of the Refunding Bonds so to be redeemed.

All Refunding Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of Section 27 shall be cancelled upon surrender thereof and delivered to or upon the order of the District. All or any portion of a Refunding Bond purchased by the District shall be cancelled by the Paying Agent upon written notice by the District given to the Paying Agent.

SECTION 32. Paying Agent; Appointment and Acceptance of Duties.

(a) U.S. Bank National Association is hereby appointed as the initial Paying Agent. All fees and expenses incurred for services of the Paying Agent, including its third party

agents, shall be the sole responsibility of the District. The Paying Agent shall keep accurate records of all funds administered by it and all of the Bonds paid and discharged by it.

(b) Unless otherwise provided, the office of the Paying Agent designated by the Paying Agent shall be the place for the payment of Principal of, premium, if any, and interest on the Bonds.

SECTION 33. Liability of Paying Agent. The Paying Agent makes no representations as to the validity or sufficiency of this Resolution or of any Refunding Bonds issued hereunder or as to the security afforded by this Resolution, and the Paying Agent shall incur no liability in respect hereof or thereof.

SECTION 34. Evidence on Which Paying Agent May Act. The Paying Agent, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provision of this Resolution, shall examine such instrument to determine whether it conforms to the requirements of this Resolution and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. The Paying Agent may consult with counsel, who may or may not be counsel to the District, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Resolution in good faith and in accordance therewith.

SECTION 35. Compensation. The District shall pay to the Paying Agent from time to time reasonable compensation for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under this Resolution.

SECTION 36. Ownership of Bonds Permitted. The Paying Agent or the Underwriter may become the Owner of any Refunding Bonds.

SECTION 37. Resignation or Removal of Paying Agent and Appointment of Successor.

(a) The initial Paying Agent may resign from service as Paying Agent at any time. Prior to such resignation a new Paying Agent shall be appointed by the District in accordance with applicable law, which shall be the Treasurer or a bank or trust company doing business in and having a corporate trust office in Los Angeles or San Francisco, California, with at least \$100,000,000 in net assets. Such successor Paying Agent shall signify the acceptance of its duties and obligations hereunder by executing and delivering to the District, a written acceptance thereof. Resignation of the initial or a successor Paying Agent shall be effective upon appointment and acceptance of a successor Paying Agent.

(b) Any Paying Agent appointed may resign from service as Paying Agent and may be removed at any time by the District as provided in the Paying Agent's service agreement. If at any time the Paying Agent shall resign or be removed, a new Paying Agent shall be appointed in accordance with applicable law, which shall be either the Treasurer or a bank or trust company doing business in and having a corporate trust office in Los Angeles or

San Francisco, California, with at least \$100,000,000 in net assets. The Paying Agent shall keep accurate records of all funds administered by it and of all Refunding Bonds paid and discharged by it. Such records shall be provided, upon reasonable request, to the District in a format mutually agreeable to the Paying Agent and the District. Such successor Paying Agent shall signify the acceptance of its duties and obligations hereunder by executing and delivering to the District, a written acceptance thereof. Resignation or removal of the Paying Agent shall be effective upon appointment and acceptance of a successor Paying Agent.

(c) In the event of the resignation or removal of the Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor. The District shall promptly provide notice of the name and principal corporate trust office address of the Paying Agent appointed to replace any resigned or removed Paying Agent to the Owners of the Refunding Bonds by first class mail, postage prepaid, at their addresses appearing on the Bond Register.

SECTION 38. Investment of Certain Funds. Moneys held in all funds and accounts established hereunder shall be invested and reinvested in Authorized Investments to the fullest extent practicable as shall be necessary to provide moneys when needed for payments to be made from such funds or accounts, subject to any conditions set forth in the Nonarbitrage Certificate and any Tax and Nonarbitrage Certificate relating to the New Money Bonds. Nothing in this Resolution shall prevent any investment securities acquired as investments of funds held hereunder from being issued or held in book-entry form on the books of the Department of the Treasury of the United States. All investment earnings on amounts on deposit in the Refunding Debt Service Fund shall remain on deposit in such respective fund except as provided in the Nonarbitrage Certificate and any Tax and Nonarbitrage Certificate relating to the New Money Bonds.

SECTION 39. Valuation and Sale of Investments. Obligations purchased as an investment of moneys in any fund or account shall be deemed at all times to be a part of such fund or account. Profits or losses attributable to any fund or account shall be credited or charged to such fund or account. In computing the amount in any fund or account created under the provisions of this Resolution for any purpose provided in this Resolution, obligations purchased as an investment of moneys therein shall be valued at cost, plus, where applicable, accrued interest.

SECTION 40. Supplemental Resolutions With Consent of Owners of Refunding Bonds. This Resolution, and the rights and obligations of the District and of the Owners of the Refunding Bonds issued hereunder, may be modified or amended at any time by a Supplemental Resolution adopted by the District with the written consent of Owners owning at least 60% in aggregate Bond Obligation of the Outstanding Refunding Bonds, exclusive of Refunding Bonds, if any, owned by the District; provided, however, that so long as a Refunding Bond Insurance Policy is in effect, and provided that the Refunding Bond Insurer complies with its obligations thereunder, the Refunding Bond Insurer shall be deemed to be the sole Owner of the Refunding Bonds for purposes of this sentence. Notwithstanding the foregoing, no such modification or amendment shall, without the express consent of the Owner of each Refunding Bond affected, reduce the Principal Amount of any Refunding Bond, reduce the interest rate payable thereon, advance the earliest redemption date thereof, extend its maturity or the times for

paying interest thereon or change the monetary medium in which Principal and interest is payable, nor shall any modification or amendment reduce the percentage of consents required for amendment or modification without the express consent of all Owners of such Refunding Bonds. No such Supplemental Resolution shall change or modify any of the rights or obligations of any Paying Agent without its written assent thereto. Notwithstanding anything herein to the contrary, no such consent shall be required if the Owners of the Refunding Bonds are not directly and adversely affected by such amendment or modification.

SECTION 41. Supplemental Resolutions Effective Without Consent of Owners of Refunding Bonds. For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution of the District may be adopted, which, without the requirement of consent of the Owners of the Refunding Bonds, shall be fully effective in accordance with its terms:

(a) To add to the covenants and agreements of the District in this Resolution, other covenants and agreements to be observed by the District which are not contrary to or inconsistent with this Resolution as theretofore in effect;

(b) To add to the limitations and restrictions in this Resolution, other limitations and restrictions to be observed by the District which are not contrary to or inconsistent with this Resolution as theretofore in effect;

(c) To confirm as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by this Resolution, of any moneys, securities or funds, or to establish any additional funds, or accounts to be held under this Resolution;

(d) To cure any ambiguity, supply any omission, or cure to correct any defect or inconsistent provision in this Resolution; or

(e) To amend or supplement this Resolution in any other respect, provided such Supplemental Resolution does not, in the opinion of nationally recognized bond counsel, adversely affect the interests of the Owners of the Refunding Bonds.

SECTION 42. Effect of Supplemental Resolution. Any act done pursuant to a modification or amendment so consented to shall be binding upon the Owners of all the Refunding Bonds and shall not be deemed an infringement of any of the provisions of this Resolution, whatever the character of such act may be, and may be done and performed as fully and freely as if expressly permitted by the terms of this Resolution, and after consent relating to such specified matters has been given, no such Owner shall have any right or interest to object to such action or in any manner to question the propriety thereof or to enjoin or restrain the District or any officer or agent thereof from taking any action pursuant thereto.

SECTION 43. Defeasance. If all Outstanding Refunding Bonds shall be paid and discharged in any one or more of the following ways:

- (1) by paying or causing to be paid the Principal, premium, if any, and interest on all Refunding Bonds Outstanding, and when the same become due and payable;

- (2) by depositing with the Paying Agent, in trust, at or before maturity, cash which together with the amounts then on deposit in the Refunding Debt Service Fund (and the accounts therein other than amounts that are not available to pay Debt Service) together with the interest to accrue thereon without the need for further investment, is fully sufficient to pay and discharge all Refunding Bonds Outstanding at maturity thereof (or on the redemption date therefore), including any premium and all interest thereon, notwithstanding that any Refunding Bonds shall not have been surrendered for payment; or
- (3) by depositing with an institution to act as escrow agent that meets the requirements of serving as successor Paying Agent pursuant to Section 37 selected by the District, in trust, lawful money or noncallable direct obligations issued by the United States Treasury (including State and Local Government Series) or obligations which are unconditionally guaranteed by the United States of America and permitted under Section 149(b) of the Code and Regulations which, in the opinion of nationally recognized bond counsel, will not impair the exclusion from gross income for Federal income tax purposes of interest on the Refunding Bonds, in such amount as will, together with the interest to accrue thereon without the need for further investment, be fully sufficient to pay and discharge all Refunding Bonds Outstanding at maturity thereof (or on the redemption date therefor), including any premium and all interest thereon, notwithstanding that any Refunding shall not have been surrendered for payment;

then all obligations of the District and the Paying Agent under this Resolution with respect to all Outstanding Refunding Bonds shall cease and terminate, except only the obligation of the Paying Agent to pay or cause to be paid to the Owners of the Refunding Bonds all sums due thereon, and the obligation of the District to pay to the Paying Agent amounts owing to the Paying Agent under Section 35 hereof. Any portion of the Refunding Bonds may also be paid and discharged as provided above.

SECTION 44. Refunding Bond Insurance. All or a portion of the Refunding Bonds may be sold with bond insurance or other form of credit enhancement, if an Authorized Officer determines that the savings to the District resulting from the purchase of such bond insurance exceeds the cost thereof.

SECTION 45. Approval of Actions; Miscellaneous.

(a) The Superintendent and the other officers of the District are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance of the Bonds or otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

(b) The County, its Board of Supervisors, officers, agents, and employees shall not be responsible for any proceedings or the preparation or contents of any resolutions, certificates, statements, disclosures, notices, contracts, or other documents relating to the sale and issuance of the Bonds.

(c) The Principal of and interest and redemption premium (if any) on the Bonds shall not constitute debt or an obligation of the County, its Board of Supervisors, officers, agents, or employees, and the County, its Board of Supervisors, officers, agents, and employees thereof shall not be liable thereon. In no event shall the Principal of and interest and redemption premium (if any) on any Bond be payable out of any funds or property of the County.

(d) The Clerk of the Board shall send a certified copy of this Resolution, together with the final debt service schedule for the Refunding Bonds, to the Treasurer.

SECTION 46. Bank Qualified. The Bonds are hereby designated as “Bank Qualified Bonds” under Section 265(b) of the Code. Taking the issuance of the Bonds into account, the District hereby acknowledges that it reasonably expects to issue no more than ten million dollars (\$10,000,000) aggregate principal amount of debt, the interest on which is excluded from gross income for federal income tax purposes, in the 2011 calendar year.

SECTION 47. Conflicts.

(a) This Board acknowledges that, notwithstanding anything to the contrary in the Previous Resolution, up to \$1,000,000 of the outstanding balance of the 2008 Bonds maturing on August 1, 2011 through August 1, 2031, as and to the extent shall be determined by an Authorized Officer to be in the best interests of the District, may be refunded with the proceeds of the Bonds.

(b) This Board acknowledges that, notwithstanding anything to the contrary in the Previous Resolution, the Refunding Bonds shall be issued and sold by the District on its own behalf pursuant to the Authorizing Law.

(b) If there is any inconsistency or conflict between any provision of this Resolution and any provision of the Contract of Purchase, the Contract of Purchase prevails to the extent of the inconsistency or conflict. If there is any inconsistency or conflict between any provision of this Resolution and any provision of the Nonarbitrage Certificate or any Tax and Nonarbitrage Certificate relating to the New Money Bonds, such Nonarbitrage Certificate prevails to the extent of the inconsistency or conflict.

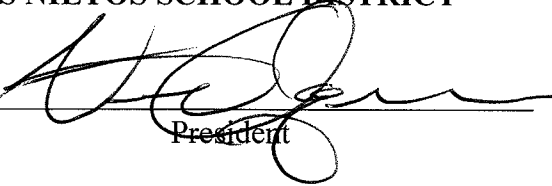
(c) To the extent of any inconsistency or conflict between any provision of this Resolution and any provision of the Previous Resolution, this Resolution prevails to the extent of the inconsistency or conflict. In all other respects, the Previous Resolution is hereby ratified and confirmed.

SECTION 48. **Effective Date.** This Resolution shall take effect immediately upon its passage.

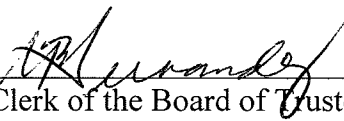
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ADOPTED, SIGNED AND APPROVED this 12 day of ~~July~~^{Aug}, 2011.

**BOARD OF TRUSTEES OF
LOS NIETOS SCHOOL DISTRICT**

By: 
President

Attest:

By: 
Clerk of the Board of Trustees
of Los Nietos School District

STATE OF CALIFORNIA)
) SS.
COUNTY OF LOS ANGELES)

I, Marisa Hernandez, do hereby certify that the foregoing is a true and correct copy of Resolution # 01-11/12, which was duly adopted by the Board of Trustees of Los Nietos School District at a special meeting thereof held on the 12th day of July 2011, and that it was so adopted by the following vote:

AYES: 5

NOES: 0

ABSENT: 0

ABSTAIN: 0

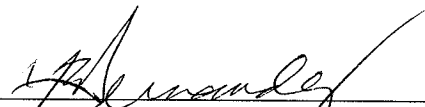
By: 
Clerk of the Board of Trustees
for Los Nietos School District

EXHIBIT A-1

FORM OF CURRENT INTEREST REFUNDING BOND

UNITED STATES OF AMERICA

STATE OF CALIFORNIA

**LOS NIETOS SCHOOL DISTRICT
GENERAL OBLIGATION REFUNDING BONDS,
ELECTION OF 2010, SERIES 2011**

\$ _____

No. R-

Interest
Rate

Maturity
Date

Dated
Date

CUSIP

%

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The Los Nietos School District (the “**District**”) of the County of Los Angeles, State of California (the “**County**”), for value received, hereby acknowledges itself indebted and promises to pay to the Registered Owner set forth above the Principal Amount set forth above, on the Maturity Date set forth above, together with interest thereon from the dated date set forth above until the Principal Amount hereof shall have been paid or provided for, in accordance with the Resolution hereinafter referred to, at the interest rate set forth above. Interest on this Bond is payable on _____ 1, 20__ and semiannually thereafter on the first day of February and August (each an “**Interest Payment Date**”) in each year to the registered owner hereof from the Interest Payment Date next preceding the date on which this Bond is registered (unless it is registered after the close of business on the fifteenth calendar day of the month next preceding any Interest Payment Date (a “**Record Date**”) and before the close of business on the immediately following Interest Payment Date, in which event it shall bear interest from such following Interest Payment Date, or unless this Bond is registered prior to the close of business on the first Record Date, in which event it shall bear interest from the Dated Date set forth above; provided, however, that if at the time of registration of this Bond interest with respect hereto is in default, interest with respect hereto shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment). The Principal Amount hereof is payable at the office of U.S. Bank National Association, as agent of the Treasurer and Tax Collector of the County, as paying agent (the “**Paying Agent**”), or at the office of a successor Paying Agent appointed pursuant to the Resolution (as hereinafter defined). The interest hereon is payable by check or draft mailed by first class mail, postage prepaid, to

each registered owner, as indicated in the Bond Register (the “**Owner**”) at his address as it appears on the registration books kept by the Paying Agent as of the Record Date, or by wire transfer to any Owner of \$1,000,000 Principal Amount or more of this Bond, to the account specified by the Owner in a written request delivered to the Paying Agent on or prior to the Record Date for such Interest Payment Date; provided, however, that payments of defaulted interest shall be payable to the person in whose name this Bond is registered at the close of business on a special record date fixed therefor by the Paying Agent which shall not be more than fifteen days and not less than ten days prior to the date of the proposed payment of defaulted interest.

The Bonds of this issue are comprised of \$ _____ Principal Amount of Los Nietos School District General Obligation Refunding Bonds, Election of 2008, Series 2011. The Bonds of this issue are comprised of \$ _____ Principal Amount of Current Interest Bonds, of which this Bond is a part, [and \$ _____ initial principal amount of Capital Appreciation Bonds and \$ _____ Conversion Value of Convertible Capital Appreciation Bonds.] This Bond is issued by the District under and in accordance with the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with Sections 53550 and 53580, respectively) of the Government Code of the State of California, and pursuant to that a resolution adopted by the Board of Trustees of the District on _____, 2011 (the “**Resolution**”). Reference is hereby made to the Resolution, a copy of which is on file with the Clerk of the Board of the District, for a description of the terms on which the Bonds are delivered, and the rights thereunder of the registered owners of the Bonds and the rights and duties of the Paying Agent, and the District, to all of the provisions of which the registered owner of this Bond, by acceptance hereof, assents and agrees. All capitalized terms used but not otherwise defined herein shall have the respective meanings set forth in the Resolution.

This Bond is a general obligation of the District, payable as to Principal, premium, if any, and interest from ad valorem taxes which, under the laws now in force, may be levied without limitation as to rate or amount upon all of the taxable property in the District. Neither the payment of the Principal of this Bond, or any part thereof, nor any interest or premium hereon constitutes a debt, liability or obligation of the County.

This Bond is issued in fully registered form and is nonnegotiable. Registration of this Bond is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at the aforesaid offices of the Paying Agent, but only in the manner, subject to the limitations, and upon payment of the charges, provided in the Resolution and upon surrender and cancellation of this Bond. Upon such registration of transfer, a new Bond or Bonds, of like tenor and maturity in the same Principal Amount and in authorized denominations will be issued to the transferee in exchange herefor. The District and the Paying Agent may treat the registered owner hereof as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary.

The Bonds shall be subject to redemption as provided in the Resolution.

The rights and obligations of the District and of the owners of the Bonds may be modified or amended at any time by a supplemental resolution adopted by the District with the written consent of owners of at least 60% in aggregate Bond Obligation of the Outstanding

Bonds, exclusive of Bonds, if any, owned by the District; provided, however, that so long as any Refunding Bond Insurance Policy is in effect, and provided that the Refunding Bond Insurer complies with its obligations thereunder, the Refunding Bond Insurer shall be deemed to be the sole Owner of the Bonds for purposes of this sentence. Notwithstanding the foregoing, no such modification or amendment shall, without the express consent of the Owner of each Bond affected, reduce the Principal Amount of any Bond, reduce the interest rate payable thereon, advance the earliest redemption date thereof, extend its maturity or the times for paying interest thereon or change the monetary medium in which Principal and interest is payable, nor shall any modification or amendment reduce the percentage of consents required for amendment or modification. No such supplemental resolution shall change or modify any of the rights or obligations of any Paying Agent without its written assent thereto. Notwithstanding anything in the Resolution to the contrary, no such consent shall be required if the Owners are not directly and adversely affected by such amendment or modification hereof without the express consent of all Owners.

A supplemental resolution of the District may be adopted, which, without the requirement of consent of the registered owners, shall be fully effective in accordance with its terms: (1) to add to the covenants and agreements of the District in the Resolution, other covenants and agreements to be observed by the District which are not contrary to or inconsistent with the Resolution as theretofore in effect; (2) to add to the limitations and restrictions in the Resolution, other limitations and restrictions to be observed by the District which are not contrary to or inconsistent with the Resolution as theretofore in effect; (3) to confirm as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by the Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under the Resolution; (4) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Resolution; or (5) to amend or supplement the Resolution in any other respect, provided such supplemental resolution does not, in the opinion of nationally-recognized bond counsel, adversely affect the interests of the owners.

If this Bond is called for redemption and the Principal Amount of this Bond plus premium, if any, and accrued interest due with respect hereto are duly provided therefor as specified in the Resolution, then interest shall cease to accrue with respect hereto from and after the date fixed for redemption.

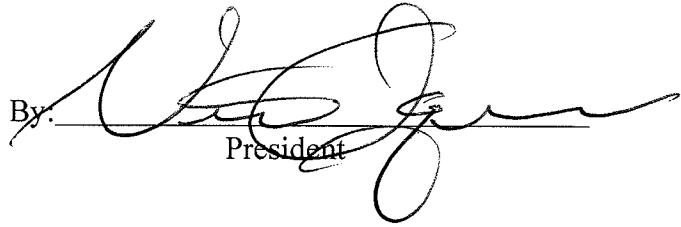
This Bond shall not become valid or obligatory for any purpose until the Certificate of Authentication hereon endorsed shall have been dated and executed manually by the Paying Agent.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED, that an election was duly and legally called, held and conducted, and the notices thereof duly given, and the results thereof canvassed and declared in accordance with the provisions of the Authorizing Law and that all of the proceedings of the Board of Trustees of the District and in the matter of the issuance of this Bond were regular and in strict accordance with the provisions of the Authorizing Law and of the Constitution of the State of California, and that the total bonded indebtedness of the District, including the issue of which this Bond is a part, does not exceed any limit prescribed by said Authorizing Law.

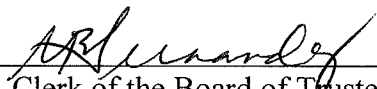
IN WITNESS WHEREOF, the Los Nietos School District has caused this Bond to be executed on behalf of the District as of the date hereof.

LOS NIETOS SCHOOL DISTRICT

Dated: 7/12/11

By: 
President

Attest:

By: 
Clerk of the Board of Trustees
of Los Nietos School District

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Resolution of the Los Nietos School District.

DATED: _____

U.S. BANK NATIONAL ASSOCIATION,
as Paying Agent

By: _____
Authorized Signatory

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned registered owner hereby sells, assigns and transfers unto

Name of Transferee: _____

Address for Payment of Interest: _____

Social Security Number or other Tax Identification No.:

the within-mentioned Bond and hereby irrevocably constitutes and appoints _____ attorney, to transfer the same on the books of the Paying Agent with full power of substitution in the premises.

Registered Owner

Dated: _____

NOTICE: The signature on this Assignment must correspond with the name as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature _____
guaranteed

[Bank, Trust Company or Firm]

By: _____
Authorized Officer

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

EXHIBIT A-2

FORM OF CAPITAL APPRECIATION REFUNDING BOND

UNITED STATES OF AMERICA

STATE OF CALIFORNIA

LOS NIETOS SCHOOL DISTRICT
GENERAL OBLIGATION REFUNDING BONDS,
ELECTION OF 2008, SERIES 2011

\$ _____

No. R-

Accretion
Rate

Maturity
Date

Dated
Date

CUSIP

%

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The Los Nietos School District (the “**District**”) of the County of Los Angeles, State of California (the “**County**”), for value received, hereby acknowledges itself indebted and promises to pay to the Registered Owner set forth above the Maturity Amount set forth above, on the Maturity Date set forth above. Interest on this Bond with respect to the Principal Amount hereof will accrete at the Accretion Rate per annum shown above from the Dated Date shown above and will be compounded semiannually on February 1 and August 1 of each year until maturity, computed using a year of 360 days comprised of twelve 30-day months and shall be payable only at maturity as part of the Maturity Amount or upon prior redemption, if any. The Maturity Amount hereof is payable at the office of U.S. Bank National Association, as agent of the Treasurer and Tax Collector of the County, as paying agent (the “**Paying Agent**”), or at the office of a successor Paying Agent appointed pursuant to the Resolution (as hereinafter defined).

The Bonds of this issue are comprised of \$ _____ Principal Amount of Los Nietos School District General Obligation Refunding Bonds, Series 2011, of which this Bond is a part. The Bonds of this issue are comprised of _____ Principal Amount of Capital Appreciation Bonds, [and \$ _____ Principal Amount of Current Interest Bonds and \$ _____ Conversion Value of Convertible Capital Appreciation Bonds]. This Bond is issued by the District under and in accordance with the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with Sections 53550 and 53580, respectively) of the Government Code of the State of California, and pursuant to that a resolution adopted by the Board of Trustees of the District on _____, 2011 (the “**Resolution**”). Reference is

hereby made to the Resolution, a copy of which is on file with the Clerk of the Board of the District, for a description of the terms on which the Bonds are delivered, and the rights thereunder of the registered owners of the Bonds and the rights and duties of the Paying Agent, and the District, to all of the provisions of which the registered owner of this Bond, by acceptance hereof, assents and agrees. All capitalized terms used but not otherwise defined herein shall have the respective meanings set forth in the Resolution.

This Bond is a general obligation of the District, payable as to Maturity Amount from ad valorem taxes which, under the laws now in force, may be levied without limitation as to rate or amount upon all of the taxable property in the District. Neither the payment of the Maturity Amount of this Bond, or any part thereof, nor any premium hereon constitutes a debt, liability or obligation of the County.

This Bond is issued in fully registered form and is nonnegotiable. Registration of this Bond is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at the aforesaid offices of the Paying Agent, but only in the manner, subject to the limitations, and upon payment of the charges, provided in the Resolution and upon surrender and cancellation of this Bond. Upon such registration of transfer, a new Bond or Bonds, of like tenor and maturity in the same Maturity Amount and in authorized denominations will be issued to the transferee in exchange herefor. The District and the Paying Agent may treat the registered owner hereof as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary.

The Bonds shall be subject to redemption as provided in the Resolution.

The rights and obligations of the District and of the owners of the Bonds may be modified or amended at any time by a supplemental resolution adopted by the District with the written consent of owners of at least 60% in aggregate Bond Obligation of the Outstanding Bonds, exclusive of Bonds, if any, owned by the District; provided, however, that so long as any Refunding Bond Insurance Policy is in effect, and provided that the Refunding Bond Insurer complies with its obligations thereunder, the Refunding Bond Insurer shall be deemed to be the sole Owner of the Bonds for purposes of this sentence. Notwithstanding the foregoing, no such modification or amendment shall, without the express consent of the Owner of each Bond affected, reduce the Principal Amount of any Bond, reduce the interest rate payable thereon, advance the earliest redemption date thereof, extend its maturity or the times for paying interest thereon or change the monetary medium in which Principal and interest is payable, nor shall any modification or amendment reduce the percentage of consents required for amendment or modification hereof without the express consent of all Owners. No such supplemental resolution shall change or modify any of the rights or obligations of any Paying Agent without its written assent thereto. Notwithstanding anything herein to the contrary, no such consent shall be required if the Owners are not directly and adversely affected by such amendment or modification.

A supplemental resolution of the District may be adopted, which, without the requirement of consent of the registered owners, shall be fully effective in accordance with its terms: (1) to add to the covenants and agreements of the District in the Resolution, other covenants and agreements to be observed by the District which are not contrary to or inconsistent

with the Resolution as theretofore in effect; (2) to add to the limitations and restrictions in the Resolution, other limitations and restrictions to be observed by the District which are not contrary to or inconsistent with the Resolution as theretofore in effect; (3) to confirm as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by the Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under the Resolution; (4) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Resolution; or (5) to amend or supplement the Resolution in any other respect, provided such supplemental resolution does not, in the opinion of nationally-recognized bond counsel, adversely affect the interests of the owners.

The Table of Accreted Values attached hereto as Schedule I has been prepared and furnished by the Underwriter and the District takes no responsibility for any inaccuracies therein.

If this Bond is called for redemption and the Maturity Amount, without premium, is duly provided therefor as specified in the Resolution, then interest shall cease to accrete with respect hereto from and after the date fixed for redemption.

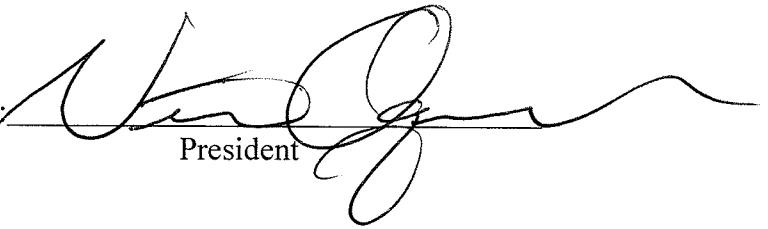
This Bond shall not become valid or obligatory for any purpose until the Certificate of Authentication hereon endorsed shall have been dated and executed manually by the Paying Agent.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED, that an election was duly and legally called, held and conducted, and the notices thereof duly given, and the results thereof canvassed and declared in accordance with the provisions of the Authorizing Law and that all of the proceedings of the Board of Trustees of the District and in the matter of the issuance of this Bond were regular and in strict accordance with the provisions of the Authorizing Law and of the Constitution of the State of California, and that the total bonded indebtedness of the District, including the issue of which this Bond is a part, does not exceed any limit prescribed by said Authorizing Law.

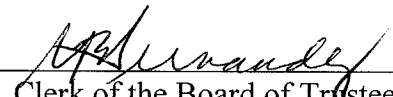
IN WITNESS WHEREOF, the Los Nietos School District has caused this Bond to be executed on behalf of the District as of the date hereof.

LOS NIETOS SCHOOL DISTRICT

Dated: 7/12/11

By: 
President

Attest:

By: 
Clerk of the Board of Trustees
of Los Nietos School District

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Resolution of the Los Nietos School District.

DATED: _____

U.S. BANK NATIONAL ASSOCIATION,
as Paying Agent

By: _____
Authorized Signatory

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned registered owner hereby sells, assigns and transfers unto

Name of Transferee: _____

Address for Payment of Interest: _____

Social Security Number or other Tax Identification No.: _____

the within-mentioned Bond and hereby irrevocably constitutes and appoints _____ attorney, to transfer the same on the books of the Paying Agent with full power of substitution in the premises.

Registered Owner

Dated: _____

NOTICE: The signature on this Assignment must correspond with the name as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature _____
guaranteed

[Bank, Trust Company or Firm]

By: _____
Authorized Officer

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

SCHEDULE I

ACCREDITED VALUE TABLE FOR THE BONDS

<u>Date</u>	<u>Accreted Value</u>
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EXHIBIT A-3

FORM OF CONVERTIBLE CAPITAL APPRECIATION REFUNDING BOND

[UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE RESOLUTION) TO THE BOND REGISTRAR FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.]

UNITED STATES OF AMERICA

STATE OF CALIFORNIA

LOS NIETOS SCHOOL DISTRICT
GENERAL OBLIGATION REFUNDING BONDS,
ELECTION OF 2008, SERIES 2011

No. _____

Accretion Rate: through <u>Conversion Date</u>	Interest Rate after the <u>Conversion Date</u>	Conversion <u>Date</u>	Maturity <u>Date</u>	<u>Dated as of:</u>	<u>CUSIP</u>
%	%		August 1, ____		

REGISTERED OWNER:

INITIAL PRINCIPAL AMOUNT:

CONVERSION VALUE:

The Los Nietos School District (the “**District**”) of the County of Los Angeles, State of California (the “**County**”), for value received, hereby acknowledges itself indebted and promises to pay to the Registered Owner set forth above the Conversion Value set forth above, on the Maturity Date set forth above, together with current interest thereon after the Conversion Date set forth above at the interest rate set forth above until the Conversion Value hereof shall

have been paid or provided for, in accordance with the Resolution (as defined herein). Interest on this Bond with respect to the Initial Principal Amount hereof will accrete at the Accretion Rate per annum shown above from the Dated Date shown above and will be compounded semiannually on February 1 and August 1 of each year until the Conversion Date set forth above, computed using a year of 360 days comprised of twelve 30-day months (as reflected in the Table of Accreted Values attached as Schedule I hereto). Such accreted value at the Conversion Date (the “**Conversion Value**”) shall be payable only at maturity or[, if this Bond is redeemed subsequent to the Conversion Date,] upon prior redemption, if any. After the Conversion Date, current interest on this Bond is payable on _____ 1, 20__ and semiannually thereafter on the first day of February and August (each an “**Interest Payment Date**”) in each year to the registered owner hereof from the Interest Payment Date next preceding the date on which this Bond is registered (unless it is registered after the close of business on the fifteenth calendar day of the month next preceding any Interest Payment Date (a “**Record Date**”) and before the close of business on the immediately following Interest Payment Date, in which event it shall bear interest from such following Interest Payment Date, or unless this Bond is registered prior to the close of business on the first Record Date, in which event it shall bear interest from the Conversion Date set forth above; provided, however, that if at the time of registration of this Bond interest with respect hereto is in default, interest with respect hereto shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment). The Conversion Value hereof, [or the Accreted Value hereof in the event this Bond is redeemed prior to the Conversion Date,] is payable at the office of U.S. Bank National Association, as agent of the Treasurer and Tax Collector of the County, as paying agent (the “**Paying Agent**”), or at the office of a successor Paying Agent appointed pursuant to the Resolution (as hereinafter defined). After the Conversion Date, the current interest hereon is payable by check or draft mailed by first class mail, postage prepaid, to each registered owner, as indicated in the Bond Register (the “**Owner**”), at his address as it appears on the registration books kept by the Paying Agent as of the Record Date, or by wire transfer to any Owner of \$1,000,000 Conversion Value or more of this Bond, to the account specified by the Owner in a written request delivered to the Paying Agent on or prior to the Record Date for such Interest Payment Date; provided, however, that payments of defaulted interest shall be payable to the person in whose name this Bond is registered at the close of business on a special record date fixed therefor by the Paying Agent which shall not be more than fifteen days and not less than ten days prior to the date of the proposed payment of defaulted interest.

The Bonds of this issue are comprised of \$_____ Principal Amount of Los Nietos School District General Obligation Refunding Bonds, Series 2011. [The Bonds of this issue are comprised of \$_____ Convertible Capital Appreciation Bonds, of which this Bond is a part, \$_____ initial principal amount of Capital Appreciation Bonds, and \$_____ Principal Amount of Current Interest Bonds.] This Bond is issued by the County under and in accordance with the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with Sections 53550 and 53580, respectively) of the Government Code] (together, the “**Authorizing Law**”), and pursuant to a resolution adopted by the Board of Supervisors of the County on _____, 2011 (the “**Resolution**”). Reference is hereby made to the Resolution, a copy of which is on file at the office of the Treasurer of the County, for a description of the terms on which the Bonds are delivered, and the rights thereunder of the registered owners of the Bonds and the rights and duties of the Paying Agent, the County and the District, to all of the provisions of which the registered owner of this Bond,

by acceptance hereof, assents and agrees. All capitalized terms used but not otherwise defined herein shall have the respective meanings set forth in the Resolution.

This Bond is a general obligation of the District, payable as to Conversion Value, [or as to Accreted Value, in the event this Bond is redeemed prior to the Conversion Date,] premium, if any, and interest from ad valorem taxes which, under the laws now in force, may be levied without limitation as to rate or amount upon all of the taxable property in the District. Neither the payment of the Conversion Value, [or the Accreted Value, in the event this Bond is redeemed prior to the Conversion Date,] or any part thereof, nor any interest or premium hereon, constitutes a debt, liability or obligation of the County.

This Bond is issued in fully registered form and is nonnegotiable. Registration of this Bond is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at the aforesaid offices of the Paying Agent, but only in the manner, subject to the limitations, and upon payment of the charges, provided in the Resolution and upon surrender and cancellation of this Bond. Upon such registration of transfer, a new Bond or Bonds, of like tenor and maturity in the same Conversion Value and in authorized denominations will be issued to the transferee in exchange herefor. The District and the Paying Agent may treat the registered owner hereof as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary.

[The Convertible Capital Appreciation Bonds shall be subject to optional redemption as provided in the Resolution.][Details to be provided]

[The Convertible Capital Appreciation Bonds maturing on August 1, 20__ are subject to mandatory redemption prior to their stated maturity, in part, from mandatory sinking fund account payments, on each August 1, commencing August 1, 20__, at the [Conversion Value/Accreted Value] thereof on the date fixed for redemption, without premium. The principal amount of such Bonds to be so redeemed and the dates therefor shall be as follows:

Redemption Dates (<u>August 1</u>)	<u>[Conversion Value/Accreted Value]</u>
20__	\$
20__	
20__*	

* Final Maturity]

The rights and obligations of the District and of the owners of the Bonds may be modified or amended at any time by a supplemental resolution adopted by the District with the written consent of owners of at least 60% in aggregate Bond Obligation of the Outstanding Bonds, exclusive of Bonds, if any, owned by the District; provided, however, that so long as any Refunding Bond Insurance Policy is in effect, and provided that the Refunding Bond Insurer complies with its obligations thereunder, the Refunding Bond Insurer shall be deemed to be the sole Owner of the Bonds for purposes of this sentence. Notwithstanding the foregoing, no such modification or amendment shall, without the express consent of the Owner of each Bond affected, reduce the Principal Amount of any Bond, reduce the interest rate payable thereon,

advance the earliest redemption date thereof, extend its maturity or the times for paying interest thereon or change the monetary medium in which Principal and interest is payable, nor shall any modification or amendment reduce the percentage of consents required for amendment or modification hereof without the express consent of all Owners. No such supplemental resolution shall change or modify any of the rights or obligations of any Paying Agent without its written assent thereto. Notwithstanding anything in the Resolution to the contrary, no such consent shall be required if the Owners are not directly and adversely affected by such amendment or modification.

A supplemental resolution of the District may be adopted, which, without the requirement of consent of the registered owners, shall be fully effective in accordance with its terms: (1) to add to the covenants and agreements of the District in the Resolution, other covenants and agreements to be observed by the District which are not contrary to or inconsistent with the Resolution as theretofore in effect; (2) to add to the limitations and restrictions in the Resolution, other limitations and restrictions to be observed by the District which are not contrary to or inconsistent with the Resolution as theretofore in effect; (3) to confirm as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by the Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under the Resolution; (4) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Resolution; (5) to amend or supplement the Resolution in any other respect, provided such supplemental resolution does not, in the opinion of nationally recognized bond counsel, adversely affect the interests of the owners.

The Table of Accreted Values attached hereto as Schedule I has been prepared and furnished by the Underwriter and the District takes no responsibility for any inaccuracies therein.

If this Bond is called for redemption and the Conversion Value and, after the Conversion Date, accrued interest due with respect hereto, [or the Accreted Value, in the event this Bond is redeemed prior to the Conversion Date,] or such other amount required for redemption, without premium, are duly provided therefor as specified in the Resolution, then interest shall cease to accrete or accrue with respect hereto from and after the date fixed for redemption.

This Bond shall not become valid or obligatory for any purpose until the Certificate of Authentication hereon endorsed shall have been dated and executed manually by the Paying Agent.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED, that an election was duly and legally called, held and conducted, and the notices thereof duly given, and the results thereof canvassed and declared in accordance with the provisions of the Authorizing Law and that all of the proceedings of the Board of Trustees of the District and of the Board of Supervisors of the County in the matter of the issuance of this Bond were regular and in strict accordance with the provisions of the Authorizing Law and of the Constitution of the State of California.

IN WITNESS WHEREOF, the County of Los Angeles has caused this Bond to be executed by the manual or facsimile signature of its Chair and by the manual or facsimile signature of the Treasurer and Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Executive Officer – Clerk of the Board of Supervisors of the County, and has caused the seal of the County to be affixed hereto as of the date stated above.

[SEAL]

COUNTY OF LOS ANGELES

Chairman of the Board of Supervisors

Executive Officer - Clerk of
the Board of Supervisors

Treasurer and Tax Collector

[STATEMENT OF INSURANCE]

The following Certificate of Authentication shall be printed on the face of each Bond:

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Resolution of the Board of Supervisors of the County of Los Angeles which has been authenticated and registered on _____, 20__.

TREASURER AND TAX COLLECTOR
OF THE COUNTY OF LOS ANGELES,
as Paying Agent

By: U.S. Bank National Association,
as Agent

By: _____
Authorized Signatory

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned registered owner hereby sells, assigns and transfers unto

Name of Transferee: _____

Address for Payment of Interest: _____

Social Security Number or other Tax Identification No.: _____

the within-mentioned Bond and hereby irrevocably constitutes and appoints _____ attorney, to transfer the same on the books of the Paying Agent with full power of substitution in the premises.

Registered Owner

Dated: _____

NOTICE: The signature on this Assignment must correspond with the name as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature _____
guaranteed

[Bank, Trust Company or Firm]

By: _____
Authorized Officer

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

SCHEDULE I

ACCRETED VALUE TABLE FOR THE BONDS

<u>Date</u>	<u>Accreted Value</u>
-------------	-----------------------

EXHIBIT B

FORM OF 15C2-12 CERTIFICATE

[_____]

Ladies and Gentlemen:

With respect to the proposed sale of its General Obligation Bonds, Election of 2008, Series 2011 in the maximum aggregate amount of not to exceed \$7,500,000 and its General Obligation Refunding Bonds, Election of 2008, Series 2011 in the maximum aggregate amount of not to exceed \$1,000,000, the Los Nietos School District (the “**District**”) has delivered to you a Preliminary Official Statement, dated as of the date hereof (the “**Preliminary Official Statement**”). The District, for purposes of compliance with Rule 15c2-12 of the Securities Exchange Commission (“**Rule 15c2-12**”), deems the Preliminary Official Statement to be final as of its date, except for the omission of no more than the information permitted under Rule 15c2-12.

LOS NIETOS SCHOOL DISTRICT

Dated: _____

By: _____
Authorized Officer

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of District: Los Nietos School District

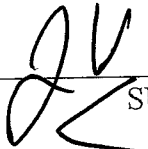
Name of Bond Issue: General Obligation Bonds, Election of 2008, Series 2011 and General
Obligation Refunding Bonds, Series 2011

Date of Issuance: [], 2011

NOTICE IS HEREBY GIVEN that LOS NIETOS SCHOOL DISTRICT, CALIFORNIA (the "**District**") has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate, dated as of [June], 2011, entered into by the District for the benefit of the Owners of the Bonds. [The District anticipates that the Annual Report will be filed by _____.]

Dated: 7/12/11

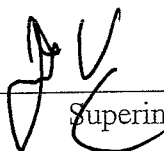
LOS NIETOS SCHOOL DISTRICT,
as Dissemination Agent

By  SUPERINTENDENT

cc: Los Nietos School District

IN WITNESS WHEREOF, the District has caused this Disclosure Certificate to be executed by its proper officer thereunto duly authorized, as of the day and year first above written.

LOS NIETOS SCHOOL DISTRICT

By  _____
Title: Superintendent